



**THE PREVENTION AND INVESTIGATION OF
ECONOMIC CRIME YEARBOOK, 2007**

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



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Foreword


Domestic economic developments impacted by scandals of some financial enterprises emptying out assets, agricultural damage from typhoons, subprime mortgage lending in the United States issues, and soaring global material and energy prices, have caused financial and economic market disorder and consumer price inflation, as well as anxiety. The Executive Yuan has paid a lot of attention to the problem, and thus the Bureau uses its authority to focus on crimes through investigating active measures in order to disclose illegal actions and to secure public welfare.

In recent years, the Bureau has found a variety of economic crimes, such as counterfeiting and marketing controlled drugs and adulterated products, phone fraud, and other forms of fraud. Some significant crimes, including insider trading, stock price manipulation, unregular trading, and emptying out assets are in constant disclosure although the Bureau has emphasized investigations on those significant economic crimes. It thus considers the necessity to have constant cooperation with the Financial Supervisory Commission and other financial supervisory institutes in investigation and prevention of criminal events in stock and financial markets. In 2007, the Bureau was involved in an investigation of 1,408 general and economic criminal cases with 4,125 suspects, totaling NT 275.4 billion dollars.

Associated with the Team of Stabilizing Consumer Prices of the Executive Yuan for its policy, the Bureau called for a special task meeting of Enhancing Investigation in Stocking, Soaring, and Monopolizing Consumer Prices on November 5, 2007, and the Economic Crime Prevention Center established a special investigation team to enact plans and supervise subordinate units to cooperate with the prosecutors, the Financial Supervisory Commission, and consumer protection officials of local governments in order to disclose illegal cases about artificial price hikes and stabilize the prices.

The Bureau always follows the two-tier principle of prevention and investigation which plans concrete preventive measures and makes all efforts on implementation targeting on domestic economic crimes. Its set goals are curbing crimes and stabilizing national economic and financial environments. The Yearly Yearbook includes categories, statistics,





and descriptions about work fruition in economic crime prevention, in the past year, as well as comparison and analysis with that of the previous years, as the basis of future development. In addition, it proposes a special discussion of economic crime issues, expecting feedbacks and correction from all experts, thus instigates progress of the Bureau in terms of achieving its set goals and expectations of all citizens.

Cherng-Maw Yeh

Cherng-Maw Yeh
Director General
Investigation Bureau
Ministry of Justice
June 2008

Editor's Note

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 2007 Part Three analyzes criminal condition and characters; Part Four is an orientation of the future operations; Part Five presents a chronicle of events in 2007. 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 the yearbook are compilations of data on the economic crimes related investigation and prevention work performed by the MJIB. 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 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 have the following meanings:



— means no data or data unknown

NA means calculation not available

- (5) The Bureau started investigating economic crimes long before the establishment of the Economic Crime Prevention Center in May 1979. However, for the convenience of statistical analysis, "over the years" in this yearbook refers to the period from May 1979 to the end of 2006.
- (6) 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 Prosecutor 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.
- (7) Cases referred to prosecutor's offices mean cases referred to and prosecuted by the prosecutor's Office or with letter sent to the competent authority for administrative action.
- (8) 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 have 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. The 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 Bureau¹. On the basis of

Executive Yuan's Directive Tai Fa Tzu #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. The consequent legalization process included the MJIB's (Ministry of Justice Investigation Bureau) Organizational Ordinance being passed by 3 readings in Legislative Yuan, on November 30, 2007, announced by the President on December 19, 2008, and promulgated by the Executive Yuan on March 20, 2008 to set effective since March 1, 2008. According to Article 3 of the Ordinance, the Economic Crime Prevention Center was renamed the Economic Crime Prevention Division. The Bureau is designated with following functions based on Article 2 of the Ordinance:

- (i) Matters concerning control of internal insurgence;

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 insurgences, 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 for investigation and preventions as instructed by higher authorities. A Claus "matters concerning investigation of tax evasion" was added as Article 10 on Dec. 12, 1968, and the original Article 10 was moved down to become Article 11. In light of the increasing incidents of economic crime, the Executive Yuan added the clause "matters concerning prevention of economic crime" in according to Article 11 in May 1979. The major working of the Bureau was re-defined by both Tai 87 Fa#53381 on October 30, 1998, and Tai 89 Fa #3119 on October 27, 2000, as to 1. Matters concerning internal insurgences, 2. Matters concerning foreign attack, 3. Matters concerning leak of national secrets, 4. Matters concerning corruption and dereliction of duty, 5. Matters concerning eradication of drug addiction, 6. Coordinated efforts into organized crime control, 7. Matters concerning major economic crime and money laundry prevention, 8. Matters concerning national security, and 9. Special matters for investigation and preventions about national security and interest as instructed by higher authorities.

- (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 serious economic crime prevention;
- (vi) Matters concerning narcotics control;
- (vii) Matters concerning money laundry prevention;
- (viii) Matters concerning cyber crime prevention, IT security investigation, and IT community security;
- (ix) Coordinated efforts into organized crime control;
- (x) Matters concerning investigation of national security;
- (xi) Coordination and implementation for Institutional security, national security, and national security education;
- (xii) Coordination between domestic and overseas institutions, international cooperation, overseas security investigation and cross-nation crime investigation;
- (xiii) Collection, filing, and analysis for cross-strait situations and criminal activities;
- (xiv) Consulting and management for investigation and prevention of domestic security and crime issues;
- (xv) Matters concerning identification of criminal evidences by means of chemical analysis, document examination, physical analysis, forensic medicine, and technical support;
- (xvi) Management and supports of instruments for communication monitoring and evidence collection;
- (xvii) Management of property, achievement, files, cashing, and general affairs;
- (xviii) Working promulgation, petition receiving, visitor reception, communication with media, civil services, and other public affairs;
- (xix) Ethical evaluation and performance monitoring for investigators;
- (xx) Special matters for investigation and prevention concerning national security and national interest as instructed by higher authorities;

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 Division has a 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. The Division has four sections which are in charge of the following business respectively:

- (i) Planning, directing, coordinating, and evaluating preventive measures for economic crimes;
- (ii) Planning and executing preventive approaches for economic crimes;
- (iii) Investigating, and directing and evaluating investigation for economic crimes;
- (iv) Secretarial business for implementating meetings for economic crimes;
- (v) Mutual-assistance for international criminal affairs and seizing apprehension of fugitives abroad;
- (vi) Secretarial business for cooperation of cross-strait crime fighting;
- (vii) Information exchange and cooperative investigation for cross-strait economic crime fighting;
- (viii) Editing the Yearbook and working handbooks, and data filing and management;
- (ix) Others related to economic criminal preventions;

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, 1980, 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 the Fair Trade Act, incorporated violation of the 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 Law, incorporated into the definitions of violation of Copyright Act, violation of Foreign Futures Trading Law and illegal operation of insurance or like-kind business per letter (83) Chien Tzu#21892.

To facilitate the execution of economic crime prevention work, the MJIB drafted the Recognition Guidelines for Serious Economic Crimes, which was approved by MOJ on October 13, 2004. The main points of the Guidelines are as follows³:

(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 Article 339 and Article 340 of the Criminal Code, and Article 154 and Article 155 of the Bankruptcy Act;
- B. Offenses as stipulated in Article 335 and Article 336 of the Criminal Code;
- C. Offenses as stipulated in Article 342 of the Criminal Code;
- D. Offenses as stipulated in Article 345 of the 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, Shihlin, Taoyuan, Taichung, Tainan, and Kaohsiung District Court, where the number of victims reaches over 50, or the dollar amount involved exceeds NT 20 million dollars.
- B. For districts other than those listed above, where the number of victims reaches over 30, or the dollar amount involved exceeds NT 10 million dollars.

(ii) The following offenses are identified as serious economic crimes, provided damage to interest protected by the law exceeds NT 2 million dollars:

- A. Offenses as stipulated in Article 2 and Article 8 of the Punishment of Smuggling Act;
- B. Offenses as stipulated in Article 41 to Article 43 of the Tax Collection Act;
- C. Offenses as stipulated in Article 71 of the Commercial Accounting Act;
- D. Offenses as stipulated in Article 22 of the Foreign Exchange Control Act;

³ Corresponding to that the serial punishment stipulated in Article 56 of the Criminal Code was deleted on February 2, 2005, the Guideline removed some articles, such as Article 340 and Article 345 of the Criminal Code, Article 8 of the Punishment of Smuggling Act, and Article 94 of the Copyright Act, and took effect July 1, 2006.

(iii) The following offenses that are serious enough to endanger the economic development and the financial stability are identified as serious economic crimes :

- A. Offenses as stipulated in Article 195 and Article 196 of the Criminal Code and Article 3 of the Act Governing the Punishment for Damaging National Currency;
- B. Offenses as stipulated in Article 201 and Article 201-1 of the Criminal Code;
- C. Offenses as stipulated from Article 339-1 to Article 339-3 of the Criminal Code;
- D. Offenses as stipulated in Article 81 and Article 82 of the Trademark Act, and Article 91, Article 92, and Article 94 of the Copyright Act;
- E. Offenses as stipulated in Article 171 and Article 174 of the Securities & Exchange Act;
- F. Offenses as stipulated from Article 112 to Article 114 of the Futures Trading Law;
- G. Offenses as stipulated in Paragraph 2 of Article 35 in the Fair Trade Act;
- H. Offenses as stipulated in Article 125, Article 125-2, Article 125-3, Article 127-1 and Article 127-2 of the Banking Act;
- I. Offenses as stipulated in Article 57, Article 57-1, and Article 58 of the Financial Holding Company Act;
- J. Offenses as stipulated in Article 58, Article 58-1, Article 59, and Article 60 of the Act Governing Bills Finance Business;
- K. Offenses as stipulated in Article 48, Article 48-1, Article 48-2, Article 49, Article 50, and Article 53 of the Trust Enterprise Act;
- L. Offenses as stipulated in Article 38-2, Article 38-3, Article 39, and Article 40 of the Credit Cooperatives Act;
- M. Offenses as stipulated in Article 167, Paragraph 2 of Article 168, Article 168-2, and Article 172-1 of the Insurance Act;
- N. Offenses as stipulated in Article 39, Article 40, Article 44, and Article 45 of the Agricultural Finance Act;
- O. Offenses as stipulated in Article 108 and Article 109 of the Financial Asset Securitization Act;

(iv) The offenses listed above that involve the Money Laundering Control Act.

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



The Prevention and Investigation of Economic Crimes

Part Two

Performance Overview





I. Strengthening the Function of Inter-agency Meetings

Three "Inter-agency Meetings on the Execution of Economic Crime Prevention" were held on April 19, August 23, and December 20 in 2007, with the following important tasks accomplished:

(i) Measures Taken in Prevention of Economic Crimes

A. Fair Trade Commission, Executive Yuan

The Commission handled 6 cases in 2007 involving violation of Fair Trade Act forwarded by the MJIB.

B. Banking Bureau, Financial Supervisory Commission, Executive Yuan

(a) In order to secure the rights of account holders and financial order, Central Deposit Insurance Corporation was designated to take over the operation of the Hualian Enterprise Bank, the Chinese Bank, and the Chinese United Trust Investment Corporation respectively on January 5, January 6, and March 30, 2007. On January 7, the Cathay United Bank and Taiwan Cooperative Bank were designated to take over the operation of the Great Chinese Bill Finance Corporation. On August 10, the Central Deposit Insurance Corporation

was designated to take over the operation of the Bowa Bank with authority of Taiwan Land Bank for banking management.

(b) Observing the newspaper advertisements for cash retrieving by using credit card, and the way will conduct financial order of credit card trading, the Bureau required the National Credit Card Center to pay attention to all member shops, and the Center did report abnormal trading of Kuwan * Travel Agent to the Criminal Investigation Bureau. The Bank Association has been reminded to establish the Regulation Mechanism for Print Media Advertisement on Credit Card Financing and the Regulation Mechanism for the Skeptical Cashing in Member Shops.

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

(a) In order to enhance prevention of violation of the Securities & Exchange Act, the Bureau continued to cooperate with investigation and police units to seize illegal trading. In addition to investigations, the Bureau provided education courses for the Judge preliminary training program and consulting assistance for relevant cases, in all levels of courts, in order to facilitate judge efficiency and harsh punishments on the illegal actions. All

securities and futures trading units and associations were promoted to follow the laws in related business.

- (b) The Commission notified the Judicial Yuan to notify it once receiving the petition for company reorganization, and adopted the Informing Procedure for Reorganization Petition by the Court to facilitate related institutes to immediately involve in efficient investigations.

D. Insurance Bureau, Financial Supervisory Commission, Executive Yuan

- (a) Based on the positive effects of the symposiums for money laundry prevention involved by higher-level officials in the insurance industry and colleagues of the Investigation Bureau, the symposium will be regularly scheduled.
- (b) Insurance companies have been reminded and supervised to include the money laundry prevention as the internal control system and for implementation, as well as proposing relevant execution fruition.

E. Examination Bureau, Financial Supervisory Commission, Executive Yuan

The Bureau has worked 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 the files on the information of lost passports and provided it 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 step up their efforts to track down the "Wanted Criminals of Serious Cases" announced by the Executive Yuan.
- (d) The Bureau has assisted in tracking down fugitives in 7 cases with 7 fugitives being returned to the country.

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

- (a) The Department processed the following cases in 2007:
 1. 119,276 companies were set up and registered.
 2. 56,045 companies changed registration for capital increase.
 3. 10,679 companies changed registration for capital reduction.
 4. 115,613 companies were dissolved, gone bankrupt, registration revoked or annulled.
- (b) On April 25, 2007, the Bureau invited scholars, and relevant institutes and associations to the meeting on the system of Corporation Board Director stipulated in Article 27 of the Company

Law, reaching consensus of adding the second paragraph for Article 27 that those corporation representative cannot be elected as board director and supervisor simultaneously. The draft of the added paragraph was submitted to the Executive Yuan for review.

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

- (a) In association with establishment of Taiwan IP Court, the amendment of the Patent Act related to administrative remedy is the priority to promote. However, other contents of the amendment, such as the sixth paragraph of Doha Mandate will be comprehensively proposed at proper time.
- (b) At 8 AM of March 6, 2007, the DVC (Digital Video Conference) with USTR about IPR (intelligent property right) issues was conducted
- (c) In the Meeting of the sixth Trade Investment Framework Agreement (TIFA) held on July 10 and 11, Chief Negotiator Dang of the Office of Trade Negotiation (MOEA) led the negotiation team, including Minister Sheng-Mou Hou of Department of Health, Executive Yuan, Deputy Minister Mu-Lin Lu of Ministry of Education, and Chief Secretary Su-May Chen of Intellectual Property Bureau, expressed our promise of IPR protection to the international society and the working fruition, and our expectation to be removed from Special 301 Watch List Observation List of US Government.
- (d) Promotion and expand the IPR website, 'Intelligent Property Travel', which has attracted 3 million visitors to browse, through connection with Ministry of Education and all-level schools nationwide, coordinated successfully with 21 bookstores in colleges or universities to proceed the used textbook exchange, establish the used book exchange website, and provide 2 promotional events for the campus exchange system of used textbooks; organized students from 15 colleges or universities as a "Campus Promotion Squad for IPR" to hold 56 promotional events at school under senior high level; and on major TV channels to broadcast the 30-second promotional videos, such as Refuse Illegal Download- Cyber World, and Prevention of IPR Violation- Cyber Auction in order to promulgate the correct concept about IPR protection.

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

There are several new types of economic crimes in this country,

- (a) Use overseas companies to process fraud. (For examples, overseas ready-made companies, pseudo foreigner investments on stock trading, and asset

- emptying out)
- (b) Use issuing financial products or financial operations to empty out companies asset, including the use of the conference record of board directors in ready-made companies to apply for loans or cash retrieval by commercial paper, and reissue private corporate bonds in order to indirectly take out all assets of other related companies.
 - (c) Use counterfeit conference records of board directors to utilize the capital for illegal items or use the affiliate company for overseas FRN with endorsement guarantees of the parent company in order to receive overseas capital from foreign banks and indirectly empty out the parent company. All competent institutes should be actively involved in the intense investigation of the prosecutor office.
- J. Taiwan High Public Prosecutors Office
- (a) 350 cases of economic crime cases were investigated with 294 cases closed in 2007.
 - (b) Cooperated with reporting units to implement preventive programs for economic crimes.
- K. National Police Agency (NPA) , Ministry of the Interior(MOI)
- Economic cases investigated in 2007,
- (a) Usury: 2,381 cases involving 3,812 suspects.
 - (b) NTD currency counterfeiting: 148 cases involving 175 suspects.
 - (c) Smuggling: 1,223 cases involving 4,467 suspects.
 - (d) Cigarette or liquor bootlegging: 571 cases involving 596 suspects.
 - (e) Trademark infringement: 2,871 cases involving 3,254 suspects.
 - (f) Copyright infringement: 3,543 cases involving 4,020 suspects.
- L. National Immigration Agency, Ministry of the Interior
- (a) Conducting security check operations on serious economic crime cases (including corruption) are as follows,
 - 1. Security check operation: 246 cases.
 - 2. Seized under checks: 670 cases.
 - (b) Assisting with pursuit of 7 fugitives from 7 cases, brought to justice back in the country.
- M. Investigation Bureau, Ministry of Justice (MJIB)
- Economic crime cases referred to prosecutors offices in 2007,
- (a) 273 cases of fraud with 1,206 suspects.
 - (b) 76 cases of embezzlement with 153 suspects.
 - (c) 43 cases of breach of trust with 266 suspects.
 - (d) 18 cases of usury with 66 suspects.
 - (e) 22 cases of smuggling with 33 suspects.
 - (f) 91 cases concerning violation of Tax Collection Act with 1,343 suspects.
 - (g) 3 cases of counterfeit/alteration of

- currency of negotiable securities with 8 suspects.
- (h) 1 case concerning violation of the Tobacco and Alcohol Administration Act with 1 suspect.
 - (i) 48 cases of Banking Act violation with 151 suspects.
 - (j) 116 cases of copyright infringement with 160 suspects.
 - (k) 67 cases of Securities & Exchange Act Violation with 344 suspects.
 - (l) 18 cases of Futures Trading Law violation with 64 suspects.
 - (m) 3 cases of Insurance Act violation with 8 suspects.
 - (n) 1 case of Wildlife Conservation Act violation with 1 suspect.
 - (o) 2 cases of Company Law violation with 3 suspects.
 - (p) 6 cases of computer crimes with 7 suspects.
 - (q) 8 cases of other types of economic crime with 11 suspects.
- Total: 796 cases and 3,825 suspects.

(ii) Four Suggestions Made through the Inter-agency Meetings

- A. Negotiate the Financial Supervisory Commission to proceed stricter checking and notify prosecutor office, police unit, and investigation institute to hold further investigation once sensing any financial report problem or emptying out during company evaluation.

- B. Negotiate the Financial Supervisory Commission to continue supervising and implementing the verification system by accountants.
- C. Negotiate with related institutes involved in the Enhancing Communication Mechanism between Administrative Unit and Judicial Unit Targeting on Companies Applying for Reorganization in order to prevent asset emptying out or other economic crimes during reorganization.
- D. Negotiate with the Ministry of Economic Affairs to review the system of Corporation Board Director stipulated in Article 27 of the Company Law to better realize corporate management.

(iii) Presentation of three special reports

- A. Strategies in Preventing Violent Practices of Underground Banking and Debt Collectors (submitted by National Police Agency)
- B. The System of Corporation Board Director Stipulated in Article 27 of the Company Law (submitted by Department of Commerce)
- C. Briefing Personal Insurance Reporting System (submitted by Insurance Bureau, Financial Supervisory Commission)

II.Prevention of Economic Crimes

The Bureau upholds the principles of "Prevention over Investigation", and "Investigation for Prevention" in carrying out economic crime prevention. Aside from collaborating with members of the inter-agency meetings, the Bureau embarked on the following actions in 2007 to carry out crime prevention,

(i) Data Collection and Analysis

Our field offices collect all kinds of industrial and commercial filed information and subjected to analysis for future reference. We also closely watch businesses or individuals that engage in irregular practice, illicit activities or serious check bouncing, so preventive actions can be taken in time. In 2007, we gathered intelligence on 2,021 cases of possible illegal activities, 100 cases of special investigations, and 63 cases of illicit or illegal activities referred to the competent authorities. (see Table 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 troubles, so the government authorities could use them as references to take preventive actions.

B. The Bureau compiled and printed "Compilation of Special Reports in 2006", and made it available to the field offices to improve the professional knowledge and case-handling techniques of our colleagues.

(iii) Discovering Problems and Taking Preemptive Strikes

The Bureau takes a proactive approach to look into the financial and operating status of listed companies with an excessively high ratio of stock pledges, suffering severe losses, or showing major financial irregularity, as well as financial institutions with an excessively high ratio of non-performing loans. If they are found to be involved in economic crimes, the Bureau proceeds with evidence collection and investigation to uphold economic order.

(iv) Founding the Project Special Investigation for Stabilizing Consumer Prices

Targeting inflation of consumer prices to cause panic, social stability damage, and public rights, the Bureau follows the orders of the Task Force for Stabilizing Consumer Prices, Executive Yuan on November 5, 2007, to establish the special investigating project for investigating market cornering, bulling,

Table 2.01 Statistics of Economic Crime Prevention Efforts in 2007

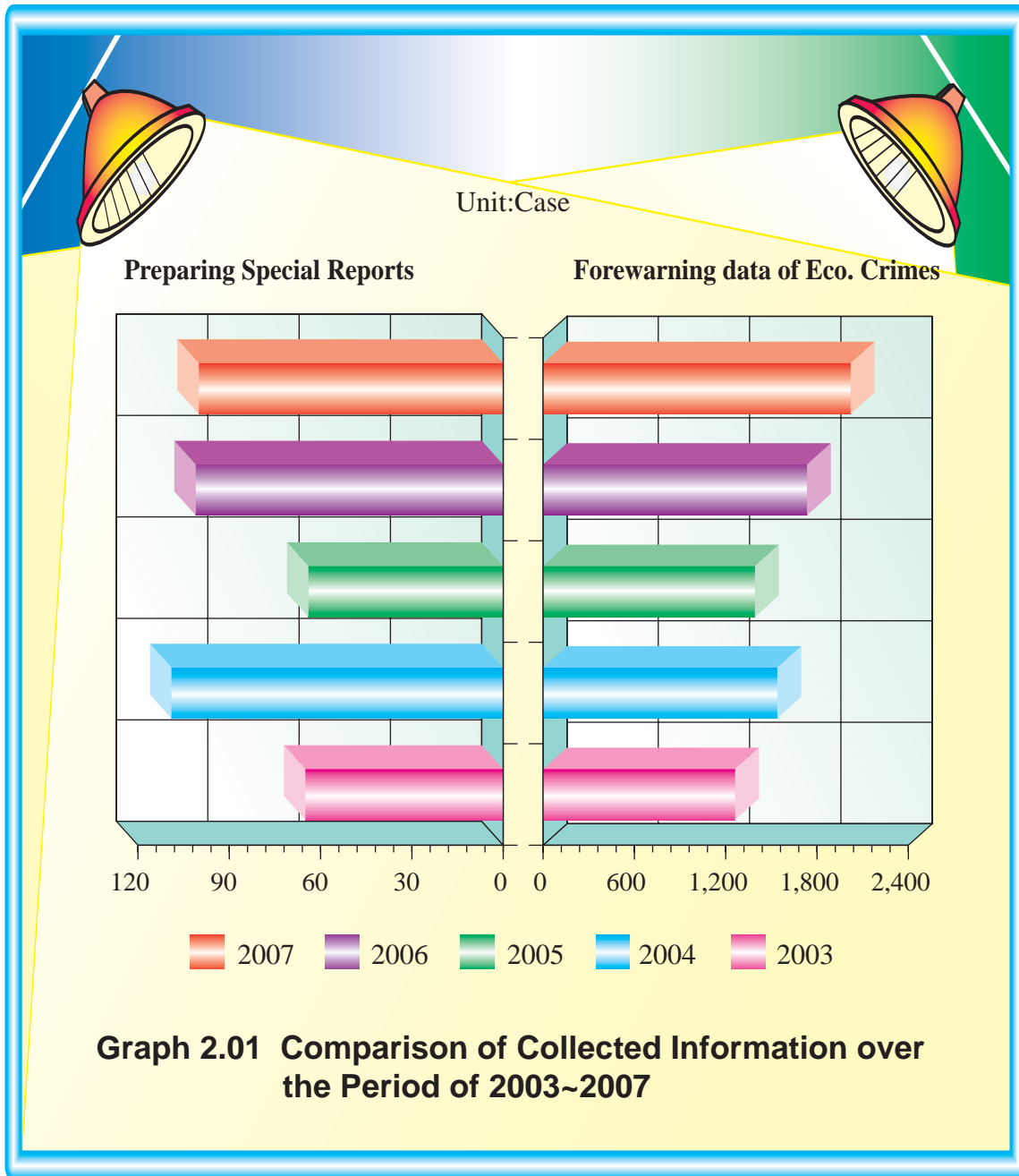
Unit: Case

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	2,021	1,747	86.44%	100	63	2
Jan.	297	249	83.84%	8	6	0
Feb.	171	144	84.21%	1	2	0
Mar.	190	166	87.37%	9	7	0
Apr.	110	101	91.82%	12	5	0
May	115	90	78.26%	14	6	1
Jun.	137	114	83.21%	2	3	0
Jul.	112	100	89.29%	1	5	0
Aug.	138	121	87.68%	2	3	0
Sep.	103	89	86.41%	3	4	0
Oct.	166	128	77.11%	6	6	0
Nov.	248	226	91.13%	41	8	1
Dec.	234	219	93.59%	1	8	0

Table 2.02 Statistics of Economic Crime Prevention Efforts over the Period of 2003 ~ 2007

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	7,948	439	300	10
2003	1,262	65	54	2
2004	1,539	109	51	2
2005	1,392	64	50	2
2006	1,734	101	82	2
2007	2,021	100	63	2



and monopolization, and ended up collecting 263 cases of possibly illegal activities and 32 cases of special investigations. The working fruition has the effective measures to stabilize consumer prices and social orders during a relatively short period.

(v) Notifying Competent Authorities for Administrative Actions

- A. Ai** Water Purifying Company in Taipei County has its advertisements claim that the purified water by its High Oxygen and Calcium Ion Purifier can treat symptoms of High Uric Acid, Gout, Diabetes, Body Sores and Pain, and Oral Malodor. The exaggeration and hollowness of the advertisement may involve violation of Paragraph 1, Article 21 of the Fair Trading Act, which has hence been notified to the Fair Trade Commission, Executive Yuan and ended up with a fine of NT 80 thousand dollars on October 5, 2007 after full investigation.
- B. Si, ** living in Hsingchu County has established 3 alcohol brewing tanks in his own place without any permission and has sold private-brewed rice wine for some years, and thus is in violation of Paragraph 1 Article 46 of Tobacco and Alcohol Administration Act. The Hsingchu County Government held a seizure on December 26, 2006 and confiscated up to 168 liters of rice wine products, and issued a fine of NT 100

thousand dollars on February 26, 2007.

- C. Tong** Tang Bio-Tech Development Co. Ltd. promoted products, such as Japanese Dr. Natto Active Beauty Sets, Japanese Dr. Natto Q10 Grace Sets, and Japanese Dr. Natto Q10 Experiencing Sets on TV shopping channels from the end of 2006 to the beginning of 2007 and claimed "For people over 30 years old, who face the problem of malfunctioning blood circulation, and thus bound and sore shoulders, Nattokinase will help you conquer those problems". Those exaggerated and unapproved words are in violation of Paragraph 1 Article 19 of the Food Sanitation Management Law, and were referred to the competent institute, Department of Health, Taichung City Government, and ended up being issued a fine of NT 150 thousand dollars on May 25, 2007.

(vi) Holding Symposiums and Collaborating for Economic Crime Prevention

Based on the problems discovered in economic crime cases, investigated this year, academic experts, law professionals and representatives of the competent authorities were invited to the, twice held, "Symposium on Economic Crime Prevention". The opinions drawn in the symposium are provided to related organizations for reference and referred to by MJIB in investigation of

similar cases.

A. Symposium on "Economic Crime Problems Caused by Selling Non-performing Loans of Domestic Financing Institutes"

The Symposium held on May 29, 2007 in Chungwa Building of the Bureau, invited Professor Yin, Nai-Ping of Department of Money and Banking, National Chengchi University, Judge Chen, Qing-Jiao of the Supreme Court, Head Prosecutor Chuang, Cheng from Prosecutor Office of Taipei District Court, General Manager Chen, Chiang-Sheng Central Deposit Insurance Corporation, Deputy Director-General Yang, Nan of the Banking Bureau, Financial Supervisory Commission, Chairman, Ma, Guo-Ju of KPMG Taiwan, Mr. Lin, Sherng-Maw, the assistant manager of Taiwan Asset Management Corporation, and Mr. Yeh, Ching-Cheng, the Deputy Manager of NPL Management Sector, Land Bank.

Background:

In recent years, the Bureau has found that some financial institutes have sold NPL for very low prices to companies owned or setup with phony owners by major stock share holders, who bid for all NPL, even with other non-NPL assets. The action seriously damages investors' rights and infringes upon the purpose of the Government's sales tax reduction for writing off NPL or allowance for uncollectible accounts. The financial institutes

involved in financial risks used the major operator at large, and the Financial Reconstruction Commission has to compensate the huge loss with the Financial Reconstruction Fund instead. The loss becomes a burden on all tax payers through the payment from the government treasury, and thus problems caused by selling NPL appear to be very serious economic crimes. The Symposium discusses the current situations of NPL in Taiwan, causes of NPL, crime types caused by NPL, issues during investigation of NPL related crimes, suggestions of legal system improvement, as well as preventive measures in order to curb this kind of new economic crime.

Consensus reached:

- (1) The competent institute shall enhance the ethical education and professional training for operators and lending personnel in banks, to decrease occurrences of NPL.
- (2) The competent institute shall adopt a scrutinized process for selling NPL, covering special exclusion of related persons in order to establish a transparent, fair, and open procedure.
- (3) The competent institute shall establish the unified database system of NPL and complete the rear-end management mechanism to track the true beneficiary in the selling program.
- (4) Diminishing NPL is the responsibility of financial institutes under high ethical demand, therefore, the bank association shall settle down self-governance

guidelines for efficient proceeding instead of waiting for the long process of regulation amendment.

- (5) Maintaining human rights and due process by the Court is the modern trend and international norm, especially for some third-instance case, much more important than maintaining financial order. Investigation and police institutes are highly suggested to collect very concrete and solid evidences of crime facts and maintain fair process.

B. Symposium about "The Economic Crimes by Public Companies Emptying Out Assets through Ready-made Companies"

The Symposium, held on November 30, 2007 in Chunghwa Building of the Bureau, invited Professor Yin, Nai-Ping of Department of Money and Banking, National Chengchi University, Professor Yeh, Ying-Hwa of Graduate Institute of Finance, FuJen Catholic University, Judge Chen, Qing-Jiao of the Supreme Court, Prosecutor Chou, Chi-Zung from Prosecutor Office of the Supreme Court, Chairman Ding, Ker-Hwa of Securities and Futures Institute, Deputy Director-General Lee, Chi-Shian of Securities and Futures Bureau, Financial Supervisory Commission, Director Kao, Ching-Yuan of Department of Commerce, MOEA, General Manager Wu, Yu-Chung of GriTai Securities Market, and Yu, Allan, Risk Management Partner, KPMT Taiwan.

Background:

In recent years, the Bureau has investigated some enterprises, which made use of some ready-made companies to empty out company assets. For example, in a recent case, the Family of Wang, *Tzeng of Li* Enterprise Group deployed dozens of ready-made companies to empty out assets of major affiliated companies, including Li*, Cha*Hwa, Ya* Cable Net, Chang* Bank, and Li* Securities, damaging general investors and financial institutes. The management level of Tai* Group made use of more than 140 ready-made companies to take away company assets totaling up to NT 17.1 billion dollars. Sheng * Corporate applied over 100 ready-made companies to proceed counterfeit trading up to NT 70 billion dollars and to empty out company assets up to US 300 million dollars. Chong * Financial Holding Group made use of ready-made companies to catch the benefits receivable of Hong Kong Branch of Chong * Bank up to US 30 million dollars. Those cases demonstrate that ready-made companies appear to be the tool generally applied by company owners or managers, and are worthwhile paying attentions to. The Symposium focuses on causes of emptying out assets through ready-made companies, related crime types, challenges faced by the law enforcement institutes, and current legal drawbacks, and proposed mutual-cooperative measures between administrative and judicial institutes in order to prevent this new type of economic crime.

Consensus reached:

- (a) For uncertain legal concepts and regulations without unified standards, the component institute shall coordinate and build the consensus for investigation personnel to follow.
- (b) For resolving ready-made companies involved in economic crimes, the Financial Supervisory Commission shall cooperate with Securities and Futures Bureau, Financial Examination Bureau, Banking Bureau, Central Bank, Taxation Agency, and component institutes to build the ready-made company database system, including basic information and final benefits, and a related company chart through administrative measures in order to efficiently seize the behind-screen operators of these crimes.
- (c) Setting aside administrative discretionary powers, the competent institute shall use the unordinary examination process, such as forensic accounting special examination, in order to improve the traditional examination and find out the validity of a verified company and its overseas companies.
- (d) Related institutes shall enhance promotion for crime prevention and build up the Whistler-Blower system to encourage manager personnel, staff, or professional consultants (accountants and lawyers included) to report illegal emptying out.
- (e) The horizontal reporting mechanism between securities component institutes (Securities and Futures Bureau, Banking

Bureau, and Examination Bureau) and their surrounding institutes (GriTai Securities Market, Taiwan Securities Exchange Center, and Investor Protection Center), and prosecutor and investigation institutes should be established to avoid company fraud.

- (f) The component institutes should enhance enterprise governance, build up the completed supervising system, and facilitate independent board directors and supervisors in order to decrease emptying out through ready-made companies.

III. Crime Investigation

The Bureau conducted investigations of 3,423 cases in 2007 (424 cases were carried on from 2006 and 2,999 cases were new). By the end of 2007, 2,965 cases were concluded; accounting for 86.62% of the total; 458 cases or 13.38% remained open. Among the closed cases, 1,398 or 40.84% (including tax evasion cases) were referred (please see table 2.03). There were 796 cases in the nature of economic crime that involved 3,825 suspects and \$274,523,691,287; the other 155 cases concerned general crimes involving 290 suspects and \$155,048,212; there were 447 tax evasion cases, involving \$798,704,840. (see Table 2.04, 2.05, 2.06, 2.08 & Graph 2.03, 2.04)

Table 2.03 Comparison of Cases Investigated and Investigations Concluded in 2007

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 2007 (3)
	No. of Cases not Closed in 2006	No. of Cases Handled in 2007	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	424	2,999	1,398	1,113	454	458
Total	3,423		2,965			
Percent	12.39%	87.61%	40.84%	32.52%	13.26%	13.38%
	100%		86.62%			

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

(i) Economic Crimes

In 2007, 796 cases of economic crime were referred to the public prosecutors offices that amount increased 2.98% to 773 cases in 2006. Suspects involved totaled 3,825, up 30.37% as compared to 2,934 persons in 2006. Monetary losses involved in these crimes totaled \$274,523,691,287, with a decrease of 44.65% in comparison with \$496,004,470,201 in 2006. By the offenses of the crime, the cases that were referred to the public prosecutors offices are broken down as follows (see Table 2.04, 2.05 and 2.07 & Graph 2.02)

- Fraud : 273 cases or 34.30%; 1,206 suspects or 31.53%
- Embezzlement: 76 cases or 9.55%; 153 suspects or 4.00%
- Breach of trust : 43 cases or 5.40%; 266 suspects or 6.95%
- Usury : 18 cases or 2.26%; 66 suspects or 1.73%
- Smuggling : 22 cases or 2.76%; 33 suspects or 0.86%
- Violation of Tax Collection Act : 91 cases or 11.43%; 1,343 suspects or 35.11%
- Counterfeit or alternation of currency and negotiable securities : 3 cases or 0.38%; 8 suspects or 0.21%
- Violation of Tobacco and Alcohol Administration Act : 1 case or 0.13%; 1 suspect or 0.03%
- Violation of Banking Act : 48 cases or 6.03%; 151 suspects or 3.95%
- Intellectual property right infringement : 116 cases or 14.57%; 160 suspects or 4.18%
- Violation of Securities and Exchange Act : 67 cases or 8.42%; 344 suspects or 8.99%
- Violation of Futures Trading Law : 18 cases or 2.26%; 64 suspects or 1.67%
- Violation of Insurance Act : 3 cases or 0.38%; 8 suspects or 0.21%
- Other offenses: 17 cases (1 case of Wildlife Conservation Act, 2 case of Company Law violation, 6 cases of Computer Crimes, and 8 other cases) or 2.14%; 22 suspects or 0.58%

Of the aforesaid cases that were referred, 387 cases involved more than \$10 million, representing an increase of over 322 cases in 2006. The \$10 million and over cases accounted for 48.62% of the total, which represented an increase from 41.66% in 2006. (see Table 2.09)

Table 2.04 Statistics of Economic and General Crime Cases Referred to Public Prosecutors Office in 2006 and 2007

Year		2007			2006		
		No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)
I. Economic Crimes	Total	796	3,825	274,523,691,287	773	2,934	496,004,470,201
	Subtotal	273	1,206	21,377,134,831	215	712	16,927,950,589
	Fraud	22	104	1,876,984,833	13	46	2,360,305,449
	Fraud in international trade	3	5	395,359,146	2	6	128,383,120
	Fraudulent insolvency	7	12	662,961,373	5	9	191,810,376
	Fraudulent closure of private loan association	6	6	103,999,900	7	7	254,267,942
	Fraudulent real estate transaction	8	33	462,300,115	2	5	14,689,504
	Fraudulent negotiable instrument	9	213	494,659,761	9	21	1,145,741,267
	Fraudulent investment	17	36	2,959,688,125	20	39	1,497,852,787
	Credit card fraud	0	0	0	2	5	3,636,600
	Advertisement fraud	2	5	2,317,500	0	0	0
	Fraudulent tax refund	0	0	0	0	0	0
	Insurance fraud	24	90	65,470,107	4	20	20,436,855
	Cyber fraud	5	6	281,592	4	6	115,293
	Hospitalization fraud	22	77	242,572,181	25	92	18,108,279
	New type of group fraud	55	274	554,052,510	31	83	27,890,245
	Others	93	345	13,556,487,688	91	373	11,264,712,872
	Subtotal	76	153	5,331,298,500	85	165	5,611,914,940
	Embezzlement	11	31	285,366,870	11	14	264,179,097
	Embezzlement by public employees	4	7	6,571,904	12	24	375,214,533
	Embezzlement by employees of private enterprise	61	115	5,039,359,726	62	127	4,972,521,310
	Breach of trust	43	266	44,539,784,379	41	134	20,948,831,555
	Usury	18	66	495,411,040	31	88	982,713,780
Smuggling	22	33	233,831,112	33	35	91,336,750	
Violation of Tax Collection Act	91	1,343	47,796,231,146	77	926	331,148,949,913	
Subtotal	3	8	2,658,630	12	24	336,910,700	
Counterfeit	0	0	0	1	1	0	
Counterfeit of national currency	0	0	0	1	1	0	
Alternation of securities	3	8	2,658,630	11	23	336,910,700	
Violation of Tobacco and Alcohol Administration Act	1	1	25,435	0	0	0	

Table 2.04 (cont.)

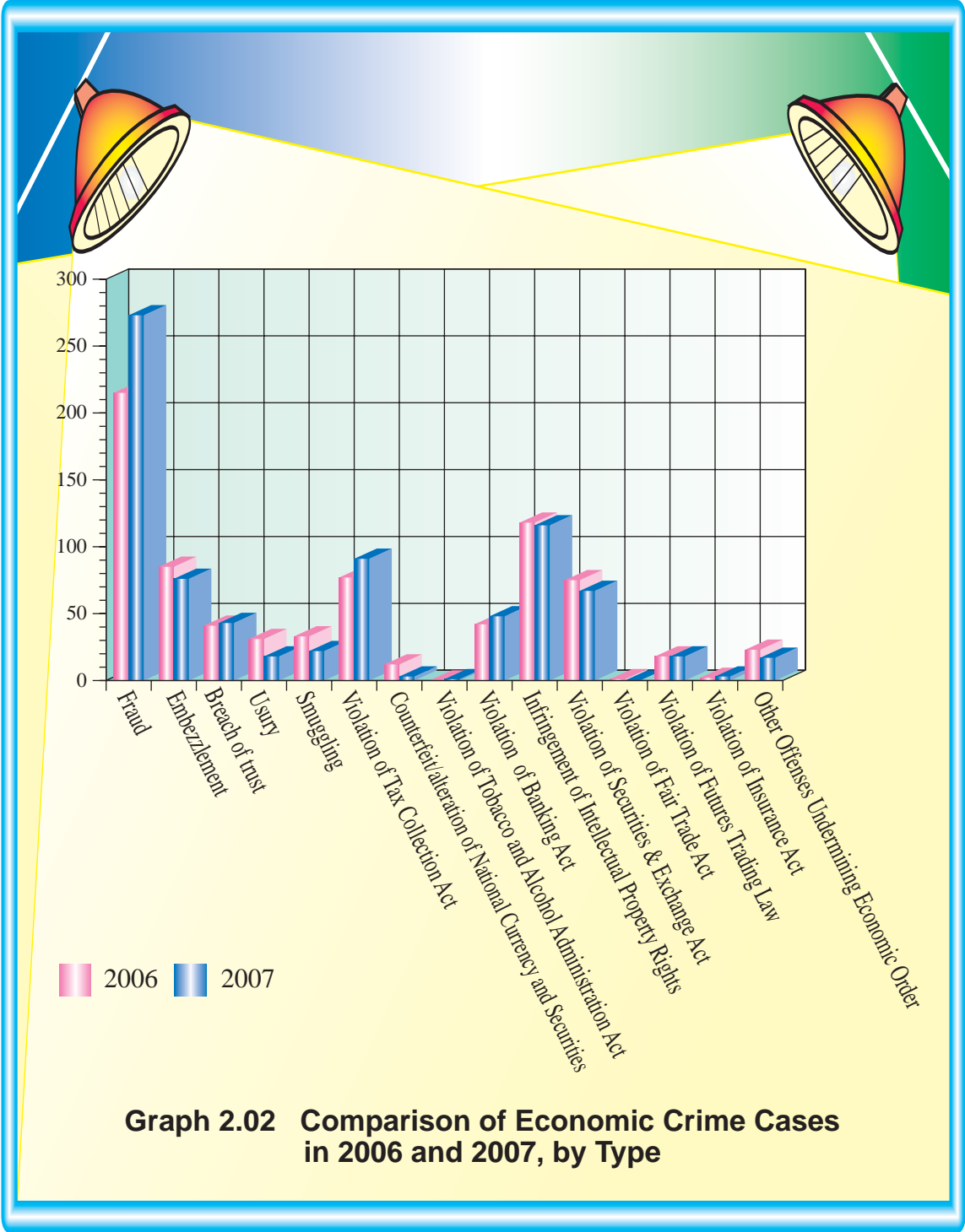
	Subtotal	48	151	64,729,832,331	42	238	87,148,665,598
Violation of Banking Act	Illegal absorption of funds	11	29	23,804,140,608	12	107	9,185,601,000
	Unauthorized operation of remittance & acceptance and others	37	122	40,925,691,723	30	131	77,963,064,598
Infringement of Intellectual Property Rights	Subtotal	116	160	13,328,078,029	118	180	3,340,230,433
	Infringement of Trademark Act	86	118	341,123,117	68	115	197,330,309
Violation of Securities & Exchange Act	Violation of Copyright Act	30	42	12,986,954,912	50	65	3,142,900,124
	Others	0	0	0	0	0	0
Violation of Fair Trade Act		67	344	76,178,028,396	75	305	27,120,080,224
Violation of Futures Trading Law		0	0	0	1	2	0
Violation of Insurance Act		18	64	258,387,947	18	67	872,744,247
Other offenses undermining economic order	Subtotal	3	8	106,602,011	2	15	1,198,324,708
	Violation of Wildlife Conservation Act	17	22	146,387,500	23	43	275,816,764
	Violation of Company Law	1	1	0	3	3	0
	Cyber crimes and computer hacking	2	3	10,000,000	15	31	3,360,000
	Others	6	7	0	0	0	0
		8	11	136,387,500	5	9	272,456,764
II. General Crimes		155	290	155,048,212	136	387	530,786,378
	Forgery of document	69	111	66,963,491	61	155	118,814,220
	Other general crimes	86	179	88,084,721	75	232	411,972,158
III. Tax Evasion		447	0	798,704,840	438	0	1,782,482,391
IV. Tracking and apprehension of fugitives abroad		10	10	0	9	9	0
	Tracking and apprehension	7	7	0	6	6	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	1	0	0
	Investigation of transnational crimes	0	0	0	0	0	0
	Execution of the Agreement on Criminal Justice Cooperation	0	0	0	1	0	0
Total		1,408	4,125	275,477,444,339	1,357	3,330	498,317,738,970

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 2006 and 2007

Year Types of offenses	2007				2006				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 (2007-2006)/2006	No. of Suspects (2007-2006)/2006
I. Economic Crimes	796	3,825	100.00%	100.00%	773	2,934	100.00%	100.00%	2.98%	30.37%
Fraud	273	1,206	34.30%	31.53%	215	712	27.81%	24.27%	26.98%	69.38%
Embezzlement	76	153	9.55%	4.00%	85	165	11.00%	5.62%	-10.59%	-7.27%
Breach of trust	43	266	5.40%	6.95%	41	134	5.30%	4.57%	4.88%	98.51%
Usury	18	66	2.26%	1.73%	31	88	4.01%	3.00%	-41.94%	-25.00%
Smuggling	22	33	2.76%	0.86%	33	35	4.27%	1.19%	-33.33%	-5.71%
Violation of Tax Collection Act	91	1,343	11.43%	35.11%	77	926	9.96%	31.56%	18.18%	45.03%
Counterfeit/alteration of National Currency and Securities	3	8	0.38%	0.21%	12	24	1.55%	0.82%	-75.00%	-66.67%
Violation of Tobacco and Alcohol Administration Act	1	1	0.13%	0.03%	0	0	0.00%	0.00%	NA	NA
Violation of Banking Act	48	151	6.03%	3.95%	42	238	5.43%	8.11%	14.29%	-36.55%
Infringement of Intellectual Property Rights	116	160	14.57%	4.18%	118	180	15.27%	6.13%	-1.69%	-11.11%
Violation of Securities & Exchange Act	67	344	8.42%	8.99%	75	305	9.70%	10.40%	-10.67%	12.79%
Violation of Fair Trade Act	0	0	0.00%	0.00%	1	2	0.13%	0.07%	-100.00%	-100.00%
Violation of Futures Trading Law	18	64	2.26%	1.67%	18	67	2.33%	2.28%	0.00%	-4.48%
Violation of Insurance Act	3	8	0.38%	0.21%	2	15	0.26%	0.51%	50.00%	-46.67%
Other Offenses Undermining Economic Order	17	22	2.14%	0.58%	23	43	2.98%	1.47%	-26.09%	-48.84%
II. General Crimes	155	290	100.00%	100.00%	136	387	100.00%	100.00%	13.97%	-25.06%
Forgery of Documents	69	111	44.52%	38.28%	61	155	44.85%	40.05%	13.11%	-28.39%
Other General Crimes	86	179	55.48%	61.72%	75	232	55.15%	59.95%	14.67%	-22.84%
III. Tax Evasion	447	0	100.00%	NA	438	0	100.00%	NA	2.05%	NA
IV. Tracking and Apprehension of Fugitives Abroad	10	10	100.00%	100.00%	9	9	100.00%	100.00%	11.11%	11.11%
Tracking	7	7	70.00%	70.00%	6	6	66.67%	66.67%	16.67%	16.67%
Persuasion	3	3	30.00%	30.00%	3	3	33.33%	33.33%	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	1	0	100.00%	NA	-100.00%	NA
Investigation of transnational crimes	0	0	NA	NA	0	0	0.00%	NA	NA	NA
Execution of the Agreement on Criminal Justice Cooperation	0	0	NA	NA	1	0	100.00%	NA	-100.00%	NA

* : The denominator is total number of cases



Graph 2.02 Comparison of Economic Crime Cases in 2006 and 2007, by Type

Table 2.06 Statistics of Cases and Suspects Referred to Public Prosecutors Office in 2007

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	1,398	4,115	275,477,444,339	796	3,825	274,523,691,287	155	290	155,048,212	447	798,704,840
Jan.	134	331	37,283,635,811	62	302	37,068,764,418	16	29	36,436,551	56	178,434,842
Feb.	64	146	2,512,046,754	38	132	2,491,280,274	8	14	64,800	18	20,701,680
Mar.	146	477	88,445,704,020	87	458	88,371,042,853	12	19	4,144,466	47	70,516,701
Apr.	70	266	2,600,285,145	40	230	2,578,113,196	20	36	6,174,603	10	15,997,346
May	87	255	9,513,121,130	57	247	9,479,266,943	5	8	0	25	33,854,187
Jun.	146	432	39,355,751,655	85	409	39,263,361,108	16	23	15,444,000	45	76,946,547
Jul.	131	381	10,875,966,574	85	354	10,670,336,967	17	27	211,250	29	205,418,357
Aug.	132	632	24,060,821,074	90	581	23,994,877,268	11	51	51,602,000	31	14,341,806
Sep.	99	260	6,902,606,880	49	228	6,889,821,114	8	32	7,611,095	42	5,174,671
Oct.	123	238	22,797,681,207	56	227	22,750,441,491	16	11	12,830,000	51	34,409,716
Nov.	75	335	17,159,992,161	51	320	17,140,734,002	10	15	890,000	14	18,368,159
Dec.	191	362	13,969,831,928	96	337	13,825,651,653	16	25	19,639,447	79	124,540,828

Note: Cases involving fugitives apprehended not included.

Table 2.07 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2007, 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	796	3,825	273	1,206	76	153	43	266	18	66
Jan.	62	302	22	59	6	23	3	3	1	1
Feb.	38	132	15	69	4	7	3	14	2	5
Mar.	87	458	28	77	10	15	8	66	3	31
Apr.	40	230	11	47	3	14	1	1	3	8
May	57	247	10	118	6	8	5	43	1	2
Jun.	85	409	24	117	9	19	4	49	1	3
Jul.	85	354	32	93	6	8	3	18	1	2
Aug.	90	581	25	122	8	13	8	51	1	1
Sep.	49	228	18	76	6	21	1	2	3	10
Oct.	56	227	19	46	6	9	1	1	2	3
Nov.	51	320	24	208	6	7	1	1	0	0
Dec.	96	337	45	174	6	9	5	17	0	0

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	22	33	91	1,343	3	8	1	1	48	151
Jan.	3	7	12	171	0	0	0	0	6	11
Feb.	5	9	0	0	0	0	0	0	2	8
Mar.	4	5	9	183	0	0	0	0	5	26
Apr.	1	1	8	115	0	0	0	0	2	16
May	2	2	5	13	0	0	0	0	6	6
Jun.	3	5	11	152	1	1	0	0	2	4
Jul.	1	1	13	171	1	5	0	0	3	9
Aug.	1	1	10	247	0	0	0	0	9	25
Sep.	0	0	3	71	0	0	0	0	3	7
Oct.	2	2	7	86	0	0	0	0	1	2
Nov.	0	0	6	70	1	2	0	0	3	15
Dec.	0	0	7	64	0	0	1	1	6	22

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 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	116	160	67	344	0	0	18	64	3	8
Jan.	7	10	1	14	0	0	1	3	0	0
Feb.	5	12	1	6	0	0	1	2	0	0
Mar.	11	20	6	32	0	0	0	0	0	0
Apr.	7	11	4	17	0	0	0	0	0	0
May	13	15	1	20	0	0	3	14	0	0
Jun.	21	22	9	37	0	0	0	0	0	0
Jul.	13	14	8	27	0	0	3	4	0	0
Aug.	9	12	14	98	0	0	2	7	0	0
Sep.	5	8	6	18	0	0	3	14	0	0
Oct.	11	20	5	42	0	0	2	16	0	0
Nov.	5	5	3	9	0	0	1	1	0	0
Dec.	9	11	9	24	0	0	2	3	3	8

Table 2.07 (cont.)

Type Month	Other Offenses Undermining Economic Order							
	Violation of Wildlife Conservation Act		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	2	3	6	7	8	11
Jan.	0	0	0	0	0	0	0	0
Feb.	0	0	0	0	0	0	0	0
Mar.	1	1	1	1	0	0	1	1
Apr.	0	0	0	0	0	0	0	0
May	0	0	1	2	3	3	1	1
Jun.	0	0	0	0	0	0	0	0
Jul.	0	0	0	0	0	0	1	2
Aug.	0	0	0	0	1	1	2	3
Sep.	0	0	0	0	1	1	0	0
Oct.	0	0	0	0	0	0	0	0
Nov.	0	0	0	0	0	0	1	2
Dec.	0	0	0	0	1	2	2	2

Table 2.08 Statistics of Cases and Suspects Referred to Public Prosecutors Office over the Period of 2003 ~ 2007

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2003	2,152	100.00%	14.77%	2,876	100.00%	27.99%
2004	2,559	118.91%	18.91%	2,833	98.50%	-1.50%
2005	1,550	72.03%	-39.43%	2,636	91.66%	-6.95%
2006	1,347	62.59%	-13.10%	3,321	115.47%	25.99%
2007	1,398	64.96%	3.79%	4,115	143.08%	23.91%

Table 2.08 (cont.)

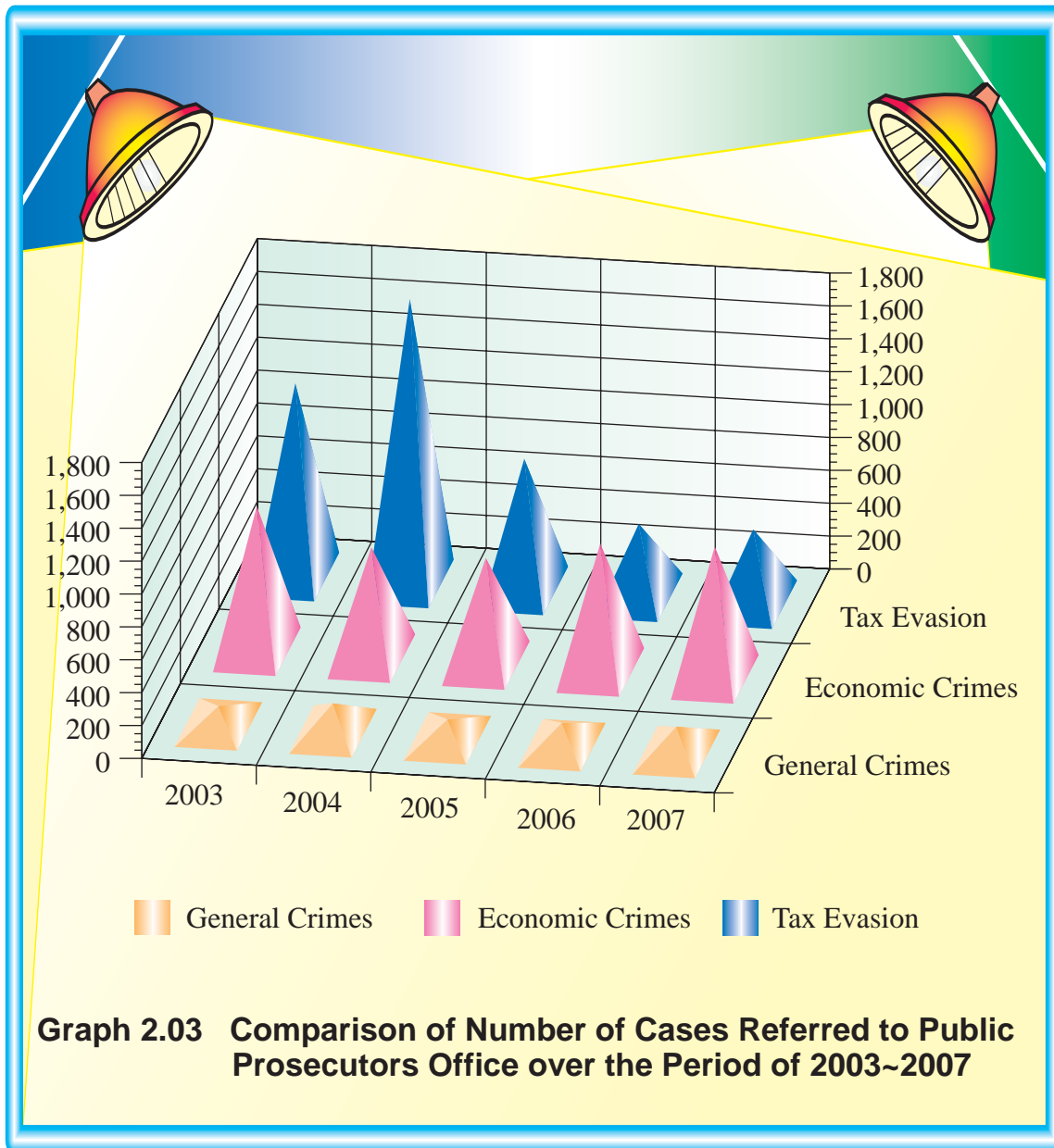
Item Year	Economic Crimes			General Crimes		
	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)
2003	873	2,479	201,467,926	112	397	179,117
2004	665	2,392	224,132,729	171	441	191,199
2005	643	2,306	200,716,368	115	330	655,539
2006	773	2,934	496,004,470	136	387	530,786
2007	796	3,825	274,523,691	155	290	155,048

Table 2.08 (cont.)

Item Year	Tax Evasion	
	No. of Cases	Penalty Imposed(NT\$1,000)
2003	1,167	3,191,262
2004	1,723	5,720,151
2005	792	2,318,446
2006	438	1,782,482
2007	447	798,705

Notes :1. Relative to 2003 (100%)

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



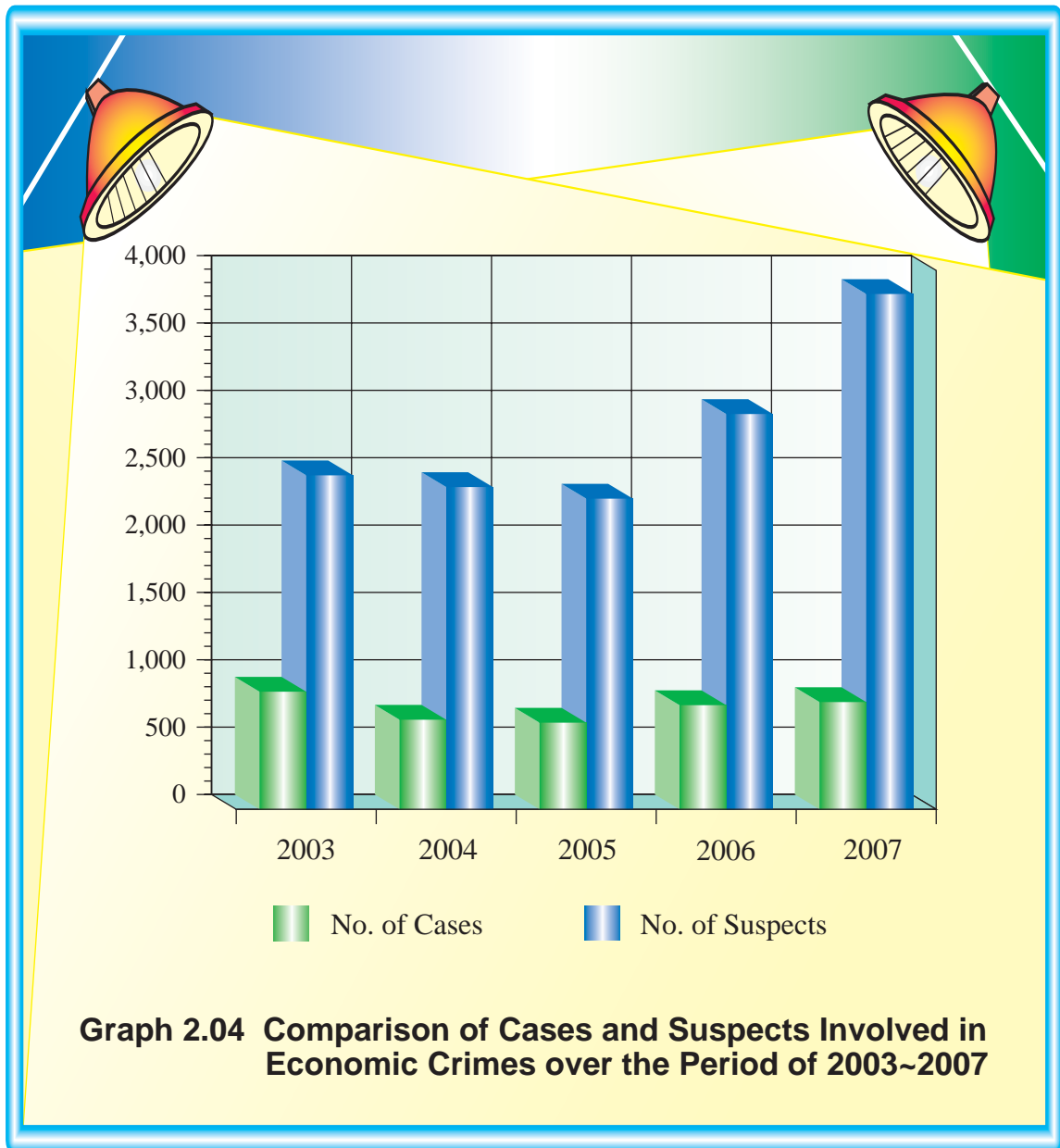


Table 2.09 Comparison of Amount of Money Involved in Economic Crimes in 2006 and 2007

Amount Involved	2007				2006			
	No. of Cases		Percent Distribution		No. of Cases		Percent Distribution	
Total	796		100.00%		733		100.00%	
Less than \$100,000	144		18.09%		194		25.10%	
\$100,000-\$1,999,999	140		17.59%		161		20.83%	
\$2,000,000-\$4,999,999	75		9.42%		52		6.73%	
\$5,000,000-\$9,999,999	50		6.28%		44		5.69%	
\$10,000,000-\$49,999,999	142		17.84%		89		11.51%	
\$50,000,000-\$99,999,999	387	68	48.62%	8.54%	322	45	41.66%	5.82%
\$100,000,000 or over	177		22.24%		188		24.32%	

Note : Figures listed here do not include tax evasion cases

A. Fraud

(a) Statistics:

Fraud cases referred in 2007 totaled 273, an increase of 26.98% from 215 cases in 2006. These fraud cases involved 1,206 suspects in total, an increase of 69.38% from 712 persons in 2006. In terms of dollar amount involved, these cases totaled \$21,377,134,831, up 26.28% as

compared to \$16,927,950,589 in 2006. (See Table 2.04, 2.05, and 2.10 and Graph 2.05)

Types of fraud cases in 2007 are classified as follow:

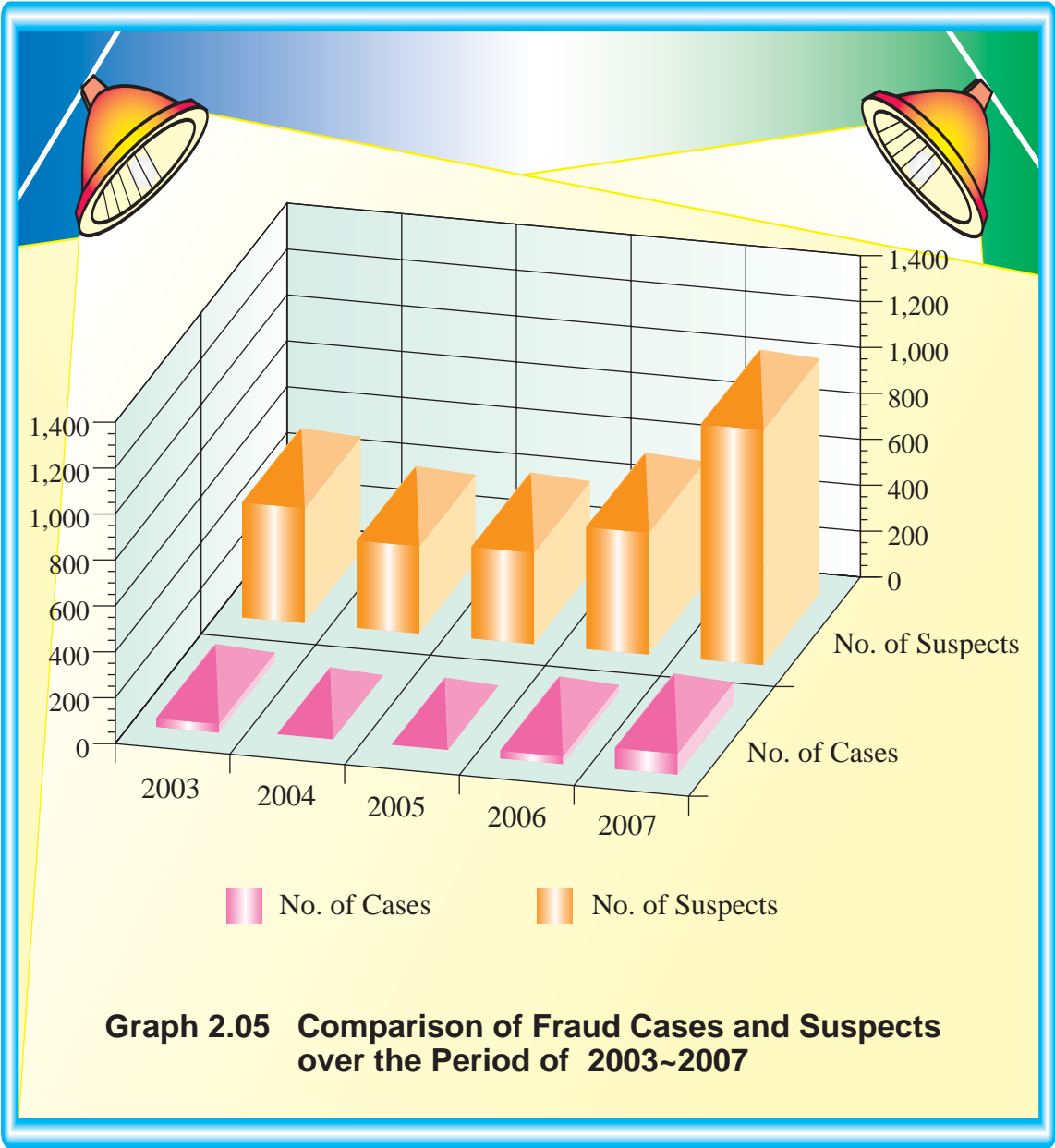
1. Loan fraud: 22 cases
2. Foreign trade fraud: 3 cases
3. Fraudulent bankruptcy: 7 cases
4. Fraudulent closedown of private loan association: 6 cases

Table 2.10 Statistics of Fraud Cases over the Period of 2003 ~ 2007

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
2003	219	100.00%	14.06%	682	100.00%	47.62%	38,343,764	130.03%
2004	163	74.43%	-25.57%	562	82.40%	-17.60%	16,299,947	-57.49%
2005	164	74.89%	0.61%	580	85.04%	3.20%	16,201,199	-0.61%
2006	215	98.17%	31.10%	712	104.40%	22.76%	16,927,951	4.49%
2007	273	124.66%	26.98%	1,206	176.83%	69.38%	21,377,135	26.28%

Notes : 1. Relative to 2003 (100%)

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



5. Real estate fraud: 8 cases
 6. Fraud of negotiable instrument : 9 cases
 7. Investment fraud: 17 cases
 8. Credit card fraud: 0 case
 9. Advertisement fraud: 2 cases
 10. Tax refund fraud: 0 case
 11. Insurance fraud: 24 cases
 12. Cyber fraud: 5 cases
 13. Hospitalization fraud: 22 cases
 14. New-type group fraud: 55 cases
 15. Others 93 cases (see Table 2.04, 2.11 and Graph 2.06)
- (b) Significant cases:
1. Yang, * Liang, Yang, * Wen, and other 14 persons organized a fraud group in April of 2006 and set up their base in Rm 1301, Building A of DuShiHwaTing and Rm 2701, of HsinChingYan on ChangTou West Road of Xiamen City, China, applying computer and telephone systems to operate frauds in Taiwan, and accumulated 93,188,682 dollars. Yang Brother Group was arrested by the police institute of China on November 28, 2006, repatriated back to Taiwan on January 26, 2007, and referred to investigation under the Prosecutor Office of Taipei District Court on March 19, 2007.
 2. Chen,*Hsing and Chen, *Ban operated an unlicensed abattoir located in YuanChang Township of Yunlin County and collected and packed dead or dead sick pork from Chanhwa, Yunlin, Nantou, and Chiayi counties to distribute schools, restaurants, institutes, and butcher booths all over Taiwan from January, 2005 to February, 2007. The total amount of pork is estimated at over 6,000 tons with illegal revenues up to 180 million dollars, and the case was referred to investigation under the Prosecutor Office of Yunlin District Court on March 21, 2007.
 3. Chang, *Ger, Cho, **, and Hsu, ** acquired the agreement of Chiang, *Bing and others for payment from 300 to 450 thousand dollars per person to register as the owner or operator of ready-made companies and to apply for checking accounts in different banks. Blank checks of those checking accounts were sold to the whole sale operator Liao, ** and others for 3,000 to 5,500 dollars per check. Advertisements were then posted in newspapers and journals as "Need Checks?" The checks are then resold for 6.5 to 15 thousand dollars per check. The checks are always used for frauds, and the sold checks total 17,000 pieces with uncountable amounts of loss. The case was referred to investigation under the Prosecutor Office of Tainan District Court on May 1, 2007.
 4. Since 2001 Yang, ** has claimed to his friends that he could buy stock shares from share holders of Listed

and Over-the-Counter companies or newly listed and over-the-counter companies with very low prices since he worked as supervisor of Trading Sector of Yung* TaLiang Investment and Consulting Co. Ltd. and manager of Trading Sector of Ho* Bank, and these stocks would guarantee a huge amounts of profits in a very short term. Tong Wang, ** and others were allured to invest some million dollars or tens of millions of dollars. The fraud case totaled up to 6,440,505,885 dollars, and was referred to the Prosecutor Office of Taipei District Court for further investigation on May 30, 2007.

5. Hung, **, with his sons continuously bought dead beef from Wang, ** with the price ranging from 10 thousand to 15 thousand dollar per cow since May of 2006. Then, the meat was sold to innocent retailers for 130 or 150 dollars per 0.6 kilogram. The Bureau detained frozen beef, bone and leather about 1 thousand kilograms, and 2 dead cows, ready for dismemberment, and referred the case to the Prosecutor Office of Tainan District Court for investigation on August 6, 2007.
6. Shan, **, the owner of Ma*Fu Co. Ltd. authorized Li* bio-tech Co. to produce MOTIF lavender tonic water, lavender moisture masks, and

rose 'young' masks from 1999 to June of 2006. However, those products did not have a gradient description and were produced in Australia with counterfeit bar codes. They were sold in 32 booths of different department stores all over Taiwan and 2 SPA services to collect profits totaling 220 million dollars. The legal violation case was referred to the Prosecutor Office of Taichung District Court for investigation on Oct. 18, 2007.

7. Wei, **, the owner of Hai * International Co. Ltd. provided capital to set up 8 clinics, including Litai* Clinic and hired Doctor Liu, ** and 24 other doctors. He forged the diagnosis records to apply for diagnosis fee subsidy for up to 147,724,453 dollars from Central Health Insurance Co., and was referred to the Prosecutor Office of Taoyuan District Court for investigation on December 17, 2007.
8. Wang, **, the owner of Hen* Enterprise Co. operates Hen* Gas Station on Wanfang Rd. in Taipei City. He purchased a large amount of methanol from Chung * Industrial Co. from August 10, 2007 to September 6, 2007, and proportionally (from 5% to 12%) mixed it with 92 grade and 95 grade unleaded gasoline to sell, collecting illegal revenues up to 8, 868,340

Table 2.11 Statistics of Fraud Cases over the Period of 2003 ~ 2007, 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
2003	219	35	15.98%	40.00%	3	1.37%	NA	10	4.57%	42.86%	15	6.85%	15.38%
2004	163	35	21.47%	0.00%	0	0.00%	-100.00%	10	6.13%	0.00%	3	1.84%	-80.00%
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%

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

Table 2.11 (cont.)

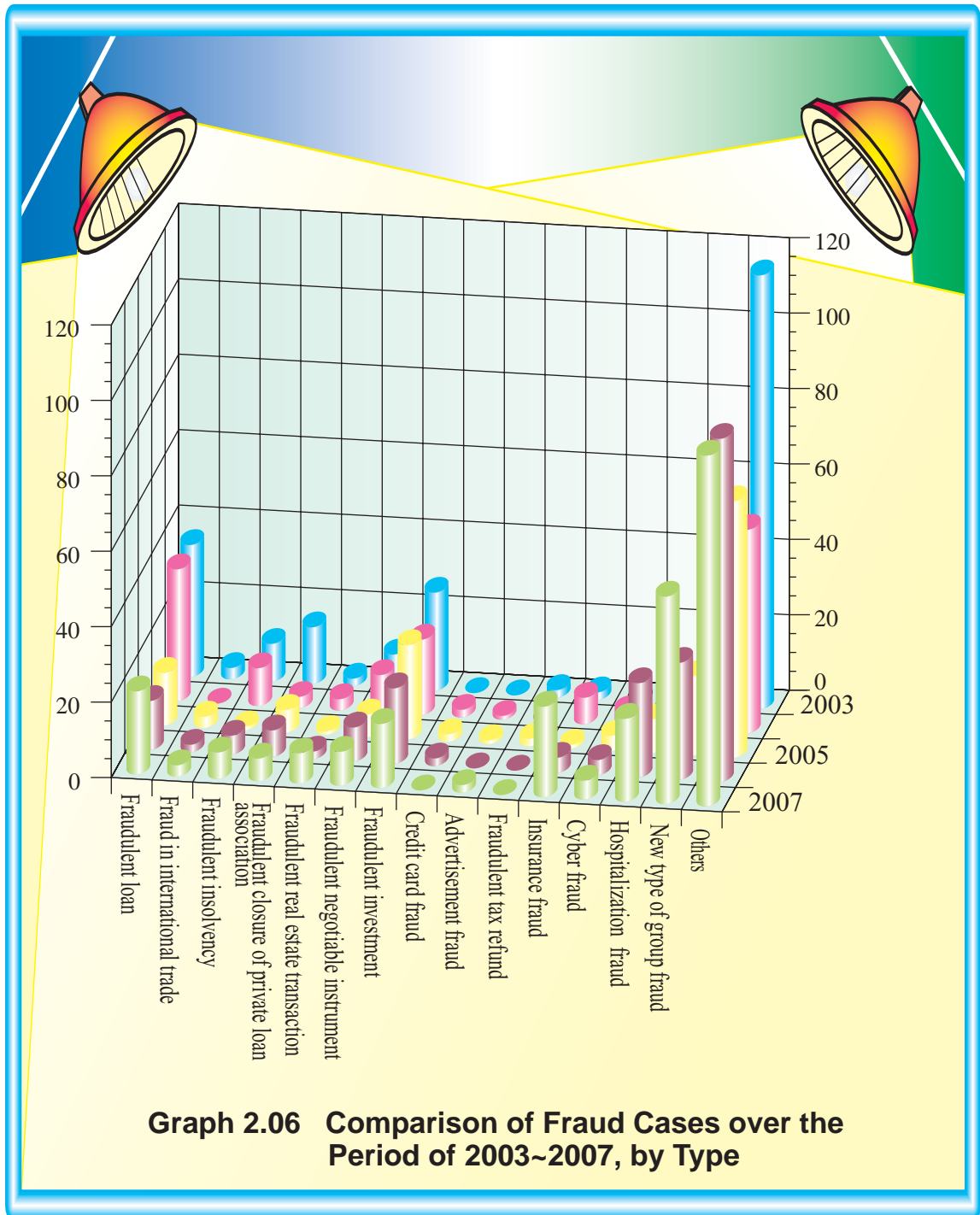
Item Year	Fraudulent real estate transaction	Percent Distribution	Percent Change	Fraudulent negotiable instrument	Percent Distribution	Percent Change	Fraudulent investment	Percent Distribution	Percent Change	Credit card fraud	Percent Distribution	Percent Change
2003	2	0.91%	-50.00%	9	4.11%	-30.77%	26	11.87%	13.04%	0	0.00%	-100.00
2004	3	1.84%	50.00%	10	6.13%	11.11%	20	12.27%	-23.08%	2	1.23%	NA
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%	-100.00%

Table 2.11 (cont.)

Item Year	Advertisement fraud	Percent Distribution	Percent Change	Fraudulent tax refund	Percent Distribution	Percent Change	Insurance fraud	Percent Distribution	Percent Change	Cyber fraud	Percent Distribution	Percent Change
2003	0	0.00%	-100.00%	2	0.91%	100.00%	2	0.91%	0.00%	0	0.00%	NA
2004	1	0.61%	NA	0	0.00%	-100.00%	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%	-100.00%	0	0.00%	-100.00%	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%

Table 2.11 (cont.)

Item Year	Hospitalization fraud	Percent Distribution	Percent Change	New type of group fraud	Percent Distribution	Percent Change	Others	Percent Distribution	Percent Change
2003	0	0.00%	NA	0	0.00%	NA	115	52.51%	12.75%
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%



dollars. The case was referred to the Prosecutor Office of Taipei District Court for investigation on December 12, 2007.

B. Embezzlement

(a) Statistics:

Embezzlement cases referred in 2007 totaled 76, decreasing 10.59% from 85 cases in 2006. These cases involved a total of 153 suspects, decreasing 7.27% from 165 in 2006. In terms of dollar

amount involved, these cases totaled 5,331,298,500 dollars, a decrease of 5% as compared to 5,611,914,940 dollars in 2006. (See Table 2.04, 2.05, and 2.12 and Graph 2.07 & 2.08)

Types of embezzlement include:

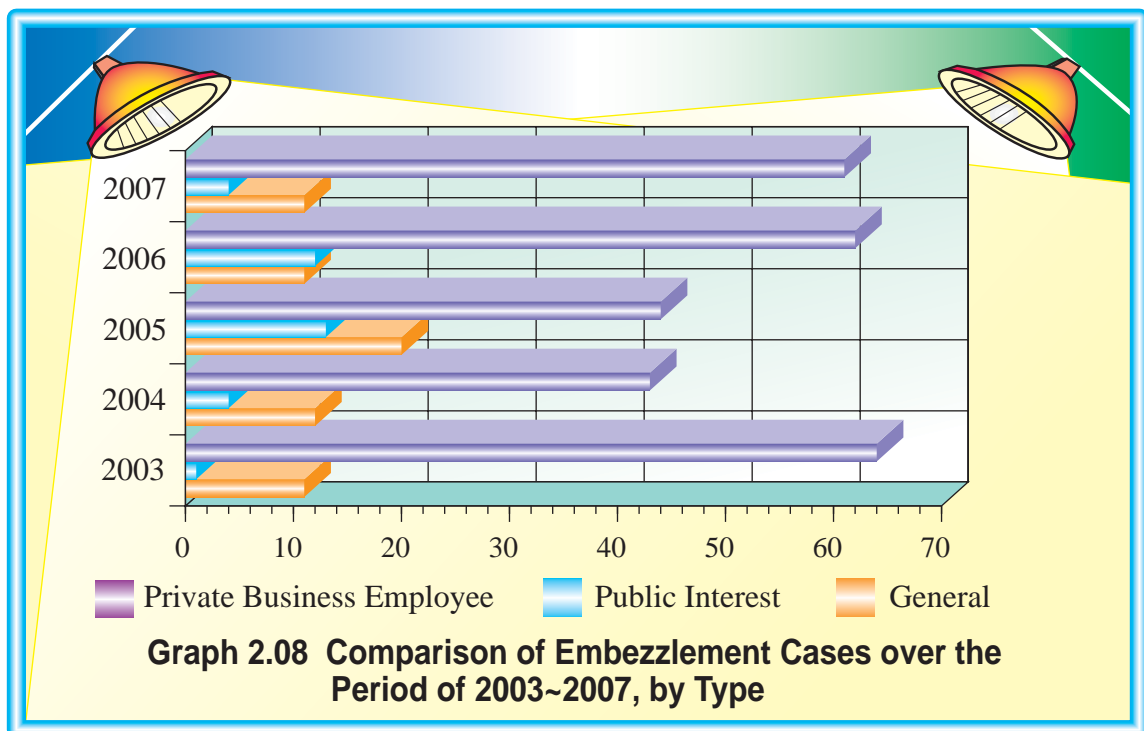
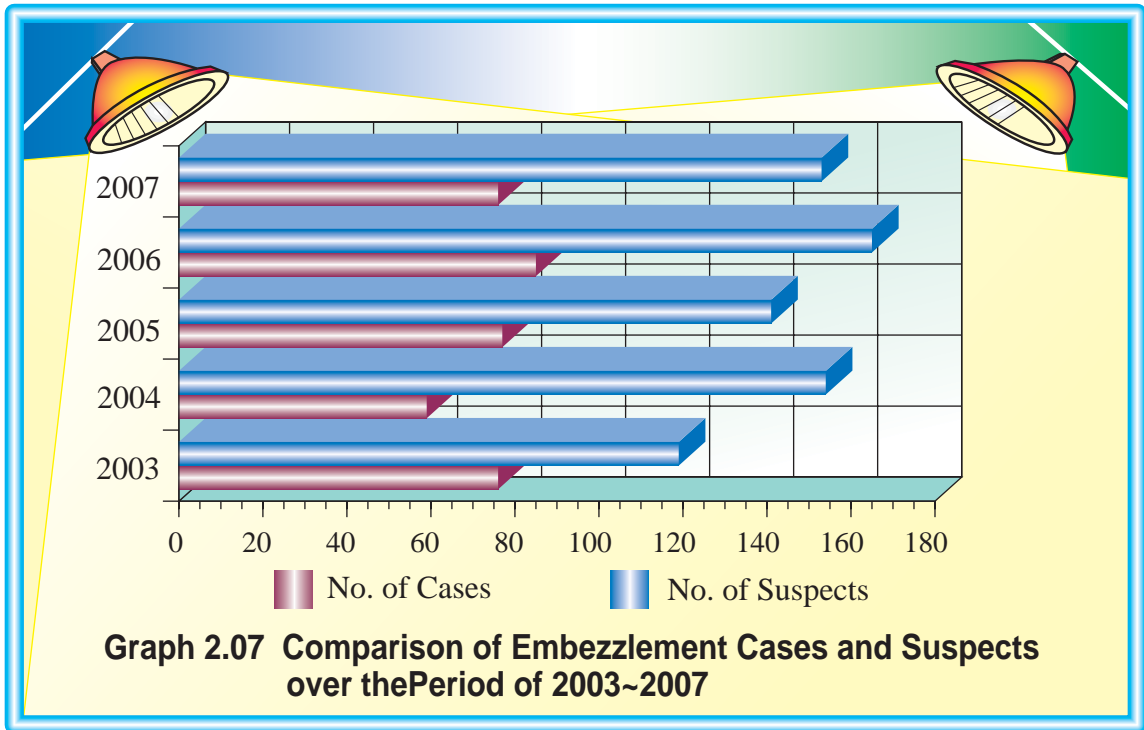
1. General embezzlement: 11 cases
2. Embezzlement involving public interest: 4 cases
3. Embezzlement by employees of private business: 61 cases (see Table 2.04, 2.12 and Graph 2.08)

Table 2.12 Statistics of Embezzlement Cases and Types over the Period of 2003 ~ 2007

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	Types		
									General	Public Interest	Private Business Employee
2003	76	100.00%	1.33%	119	100.00%	-1.65%	7,962,057	-24.03%	11	1	64
2004	59	77.63%	-22.37%	154	129.41%	29.41%	24,666,533	209.80%	12	4	43
2005	77	101.32%	30.51%	141	118.49%	-8.44%	10,232,293	-58.52%	20	13	44
2006	85	111.84%	10.39%	165	138.66%	17.02%	5,611,915	-45.15%	11	12	62
2007	76	100.00%	-10.59%	153	128.57%	-7.27%	5,331,299	-5.00%	11	4	61

Notes :1. Relative to 2003 (100%)

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



(b) Significant cases:

1. Chen, * Ching, the chairman of the board directors of Yuan * Industrial Co. and Chen, * Chung, the general manager who is also the general manager of Pei * Co., the company that Yuan invested in * Industrial Co. in Qingdao, China, and was provided 90% of its equipment needs by Yuan *. During 1999 when Yuan * Industrial Co. faced financial problems and was not able to get financing from the banks, Chen, * Ching and Chen, * Chung received capital from private banking companies and put it into the company's accounts to show better financial statements. They then provided counterfeit letters of credit to get loans and cash with postdated checks from banks totaling up to 797,802,426 dollars, and was referred to the Prosecutor Office of Tainan District Court for investigation on January 25, 2007.
2. Chen, ** the assistant manager in Kong* Branch of Taiwan Hsin * Commercial Bank manipulated the CD accounts and saving insurance of Jen, ** and 25 other customers without customer's agreement to the money market accounts and then embezzled 202,992,430 dollars since January of 2002, and was referred to the Prosecutor Office of Taichung District Court for investigation on March 8, 2007.
3. Yu, *Tong, the operator, Chi, **, the general manager, and Yu, * Ying, the owner of Fu * Logistics Co. Ltd. transferred 1 billion and 275 million dollars from the collected capital of 800 million dollars, banking loan of 310 million dollars, and bill financing of 330 million dollars to their private banking accounts during the period from 1990 to 1997. The emptying out of company assets was referred to the Prosecutor Office of Taipei District Court for investigation on June 28, 2007.
4. Principal Chen, * Sheng of Private Dou * Nursing and House Keeping Vocational High School in Taipei City, from January of 1990 to September of 2001, he directed Chen, *Zi, the cashier director to transfer 231,110,046 dollars, the collected amounts of student tuitions, fees, working fees, and CD, from school accounts to his private accounts. The embezzlement was referred to the Prosecutor Office of Taipei District Court for investigation on November 19, 2007.

C. Breach of Trust

(a) Statistics:

Breach of trust cases referred in 2007 totaled 43, a slight increase of 4.88% as compared to 41 cases in 2006. These cases involved in 266 suspects in total,

rising by 98.51% as compared to 134 suspects in 2006. In terms of dollar amount involved, these cases totaled 44,539,784,379 dollars, an increase of 112.61% as compared to 20,948,831,555 dollars in 2006. (see Table 2.04, 2.05, 2.13 and Graph 2.09)

(b) Significant cases:

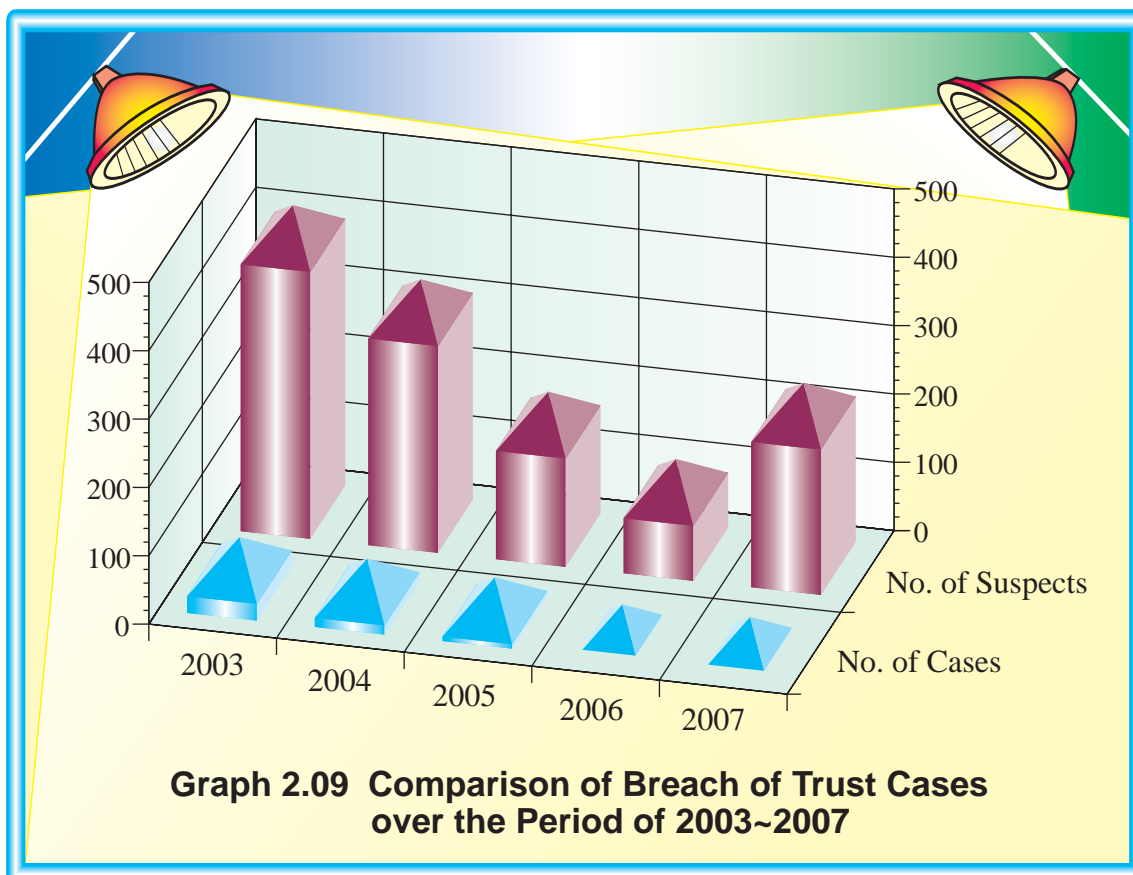
1. Wang, *Tzeng, Standing board director and founder, and Wang, *Chou, the deputy general manager of Chung * Bank, from August of 2004 to May of 2005, ordered the legal affairs division, consumer financing division, credit card division, and secretariat division to arrange Yi * Co. to win the NPL bid, accompanied for bidding by Chung * Finance Management Co., Bao * Finance Management Co., and Lei * International Asset Management Co. According to the Procedure for Proceeding NPL of the Chung * Bank, when selling NPL, at least 2 high-credited asset management companies shall be notified to compare their bids. The undue process has benefited Yi* Co. to win NPL totaling 1,227,280,000 dollars in cash cards and 1,422,320,000 dollars in credit cards with very low prices, and caused Chung * Bank a loss of 39,270,000 dollars. The case was referred to the Prosecutor Office of Taipei District Court for investigation on February 1, 2007.
2. Wang, * Tzeng, WangKim, **, and Wang, * Yi, members of the same family, had founded some ready-made companies, such as Ting*, Cha*, and other 70 small companies in their Li* Enterprise Group, since 1998, in order to provide their personal demand cash, compensate serious loss of Cha * Food and Fiber Co., and mortgage increment in banks when the stock prices of Cha *Hwa Co. and China Li* Co. decline extraneously. The counterfeit real estate trading, financing, commercial paper, collected warrant bonds, prepayment for purchases, and short-term borrowing were applied to move the capital of Yu * Insurance Company, Li * Bills Finance Co. , Chung * Commercial Bank, and Ya * Broadband Cable Co. into the same Enterprise Group, totaling up to 73,100,000,000 dollars. The case was referred to the Prosecutor Office of Taipei District Court for investigation on February 15, 2007.
3. Kong * Life Insurance Company was not able to bid on the purchase of 2nd to 6th floors and underground 4th and 5th floors of Ya * Plaza Building due to limitation of the Insurance Act, therefore, Former General Manager Lin, ** involved Chou, ** in the bid with approval of Board Director Tseng, ** in October of 2003, and paid the price with the

Table 2.13 Statistics of Breach of Trust Cases over the Period of 2003 ~ 2007

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
2003	78	100.00%	23.81%	444	100.00%	52.58%	43,594,094	134.95%
2004	67	85.90%	-14.10%	356	80.18%	-19.82%	39,998,618	-8.25%
2005	60	76.92%	-10.45%	212	47.75%	-40.45%	25,526,724	-36.18%
2006	41	52.56%	-31.67%	134	30.18%	-36.79%	20,948,832	-17.93%
2007	43	55.13%	4.88%	266	59.91%	98.51%	44,539,784	112.61%

Notes : 1. Relative to 2003 (100%)

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



capital of Kong * Life Insurance Company. Afterward, he used Hsing * Co. and Ken * Development Co. Ltd. to apply for a loan of 12 billion dollars in Zi * Commercial Bank to pay back the above-said price. The case involving a breach of trust was referred to the Prosecutor Office of Taipei District Court for investigation on June 29, 2007.

4. Board Director Lin, ** of Chong * Development Co. continuously issued 37 guarantee checks to borrow 560 million dollars from Board Director Wang, ** of Chong * Co. in June, 1997. However, when Lin, ** was unable to pay the remaining 250 million dollars back, Wang, ** and Lin, ** conspired that Chong * Co. bought low valued land with a mortgage and in Taipei City from Lin, **, Chen, ** (the brother of Lin, **), and Chong * Development Co. in May and June of 1999. The total price was 433.5 million dollars to return the above-mentioned loan, however, the trade was cancelled, and the land was not re-titled. In addition, the 250 million dollar loan has not yet been returned. The case was referred to the Prosecutor Office of Taipei District Court for investigation on December 7, 2007.

D. Usury

(a) Statistics:

Usury cases referred in 2007 totaled 18, a decrease of 41.94% when compared to 31 cases in 2006. These cases involved 66 suspects, declining 25% from 88 suspects in 2006. In terms of dollar amount involved, these cases totaled 495,411,040 dollars, a decrease of 49.59% as compared to 982,713,780 dollars in 2006. (See Table 2.04, 2.05, 2.14, and Graph 2.10)

(b) Significant cases:

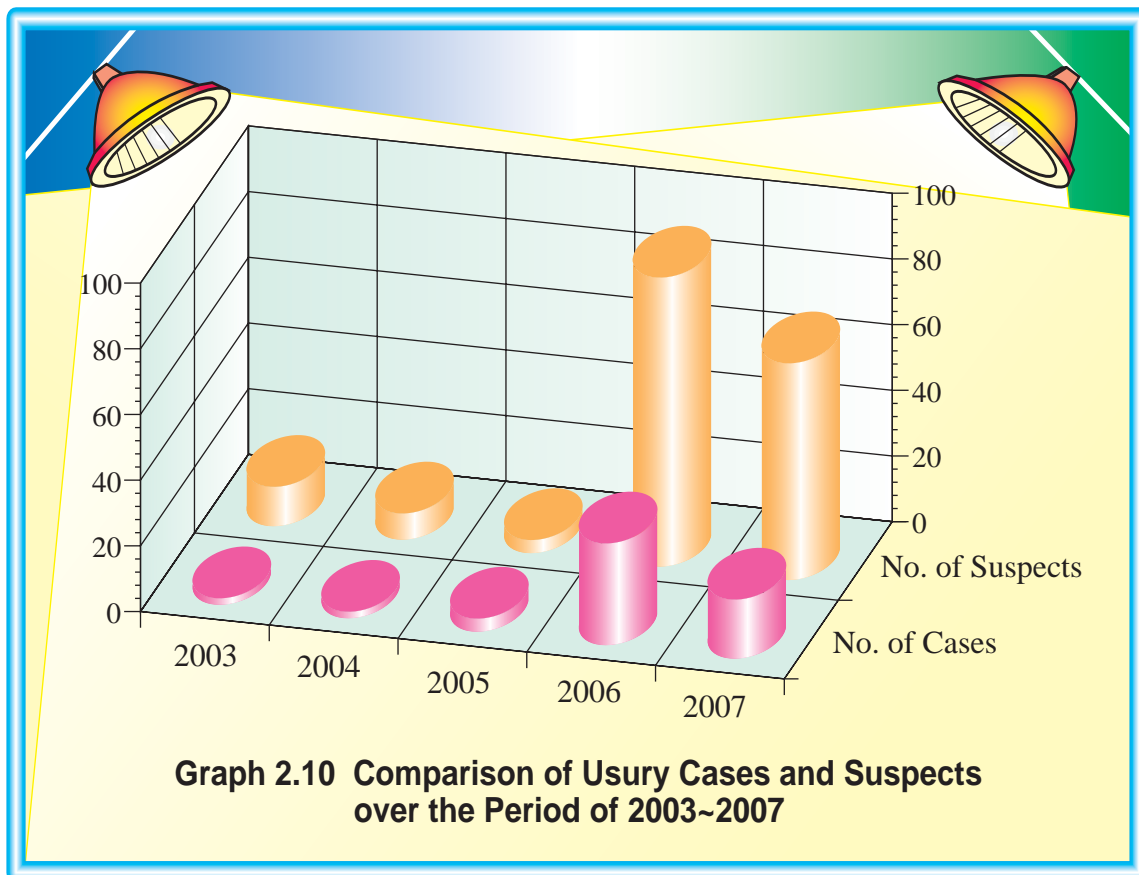
1. Chiang, **, the operator of private financing, took the chance that Chong, **, the former operator of Yi* Co. had a high demand for capital, and loaned 652,290,000 dollars to him with a relatively higher interest rate, 15% to 90% per month during 2005 and 2006. The interest, totaling up to 115,628,542 dollars, had to be paid every 10 days. Chiang, ** cooperated with gangsters to bully the borrower in order to receive the interest. The case was referred to the Prosecutor Office of Kaohsiung District Court for investigation on February 13, 2007.
2. Chen, **, the staff of the Army General Headquarters and Hsu, ** and 5 other people from private financing collected 23 million dollars in capital from banks in July of 2004, and authorized Hsu, ** to found Li* International Marketing Consultant Co. to operate private lending by charging borrowers the high interest

Table 2.14 Statistics of Usury Cases over the Period of 2003 ~ 2007

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
2003	2	100.00%	-50.00%	12	100.00%	-25.00%	631,600	527.35%
2004	2	100.00%	0.00%	8	66.67%	-33.33%	28,800	-95.44%
2005	4	200.00%	100.00%	4	33.33%	-50.00%	9,176	-68.14%
2006	31	1550.00%	675.00%	88	733.33%	2100.00%	982,714	10609.61%
2007	18	900.00%	-41.94%	66	550.00%	-25.00%	495,411	-49.59%

Notes : 1. Relative to 2003 (100%)

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



rate of 360% per year. After the bad performing operation caused them to close the Company, Chen, ** intended to minimize his own loss and enforced the acquiring and re-selling of commercial papers issued by borrowers to the other financial management companies owned by Li, **. The case involving usury was referred to the Prosecutor Office of Pancaiao District Court for investigation on March 21, 2007.

E. Smuggling

(a) Statistics:

Smuggling cases referred in 2007 totaled 22, a decrease of 33.33% compared to 33 cases in 2006. These cases involved a total of 33 suspects, declining 5.71% from 35 suspects in 2006. In terms of dollar amount involved, these cases totaled 233,831,112 dollars, increasing 156.01% as compared to 91,336,750 dollars in 2006. (See Table 2.04, 2.05, 2.15 and Graph 2.11)

The means of smuggling include the following:

1. by container: 10 cases
2. by fishing boat: none
3. by personal carriage: 12 cases (see Table 2.16 and Graph 2.12)

(b) Significant cases:

1. Yao, **, the operator of Yo * Enterprise Co., was reported for importing 680 packages, or 18,020

kilograms of 'Seasoning', which was mixed with Chinese Mushrooms, which is controlled for importing by the Government. The Company was then found to have used the same method to smuggle Chinese Mushrooms over 45 times to make illegal profits of up to 120 million dollars from January 2002, to March 2007. The case was referred to the Prosecutor Office of Keelung District Court for investigation on August 20, 2007.

2. Shao, **, a trailer driver of Tai * Transportation Co. held a counterfeit transporting sheet and container inspection sheet of Yang * Marine Transportation Co. on January 27, 2007, and drove the trailer with plate number **-220 with the intent of moving away the container YMLU8143681, also forged number. During the retrieval of the smuggled container at Pier 70 of Yang * Marine Transportation Co., it was seized by investigators in Kaohsiung Harbor #3 and #5 container inspection center, 8,919 pairs of male and female slippers, 1,920 kilograms of dried mushroom slices, and 720 pairs of NIKE sport shoes were confiscated. The Case was referred to the Prosecutor Office of Kaohsiung District Court for investigation on May 22, 2007.

Table 2.15 Statistics of Smuggling Cases over the Period of 2003 ~ 2007

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
2003	72	100.00%	-24.21%	88	100.00%	-24.14%	715,831,639	721.76%
2004	41	56.94%	-43.06%	55	62.50%	-37.50%	42,120,498	-94.12%
2005	21	29.17%	-48.78%	31	35.23%	-43.64%	721,602,777	1613.19%
2006	33	45.83%	57.14%	35	39.77%	12.90%	91,336,750	-87.34%
2007	22	30.56%	-33.33%	33	37.50%	-5.71%	233,831,112	156.01%

Notes : 1. Relative to 2003 (100%)

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

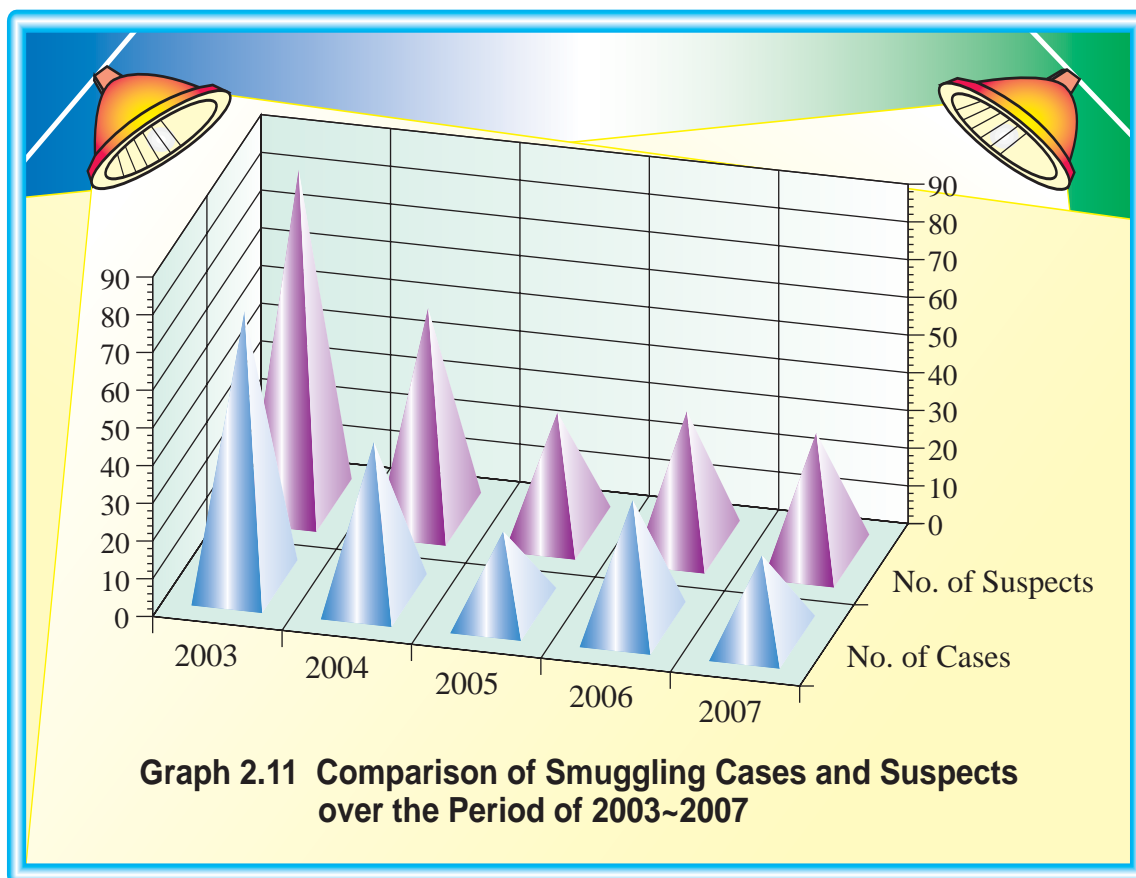
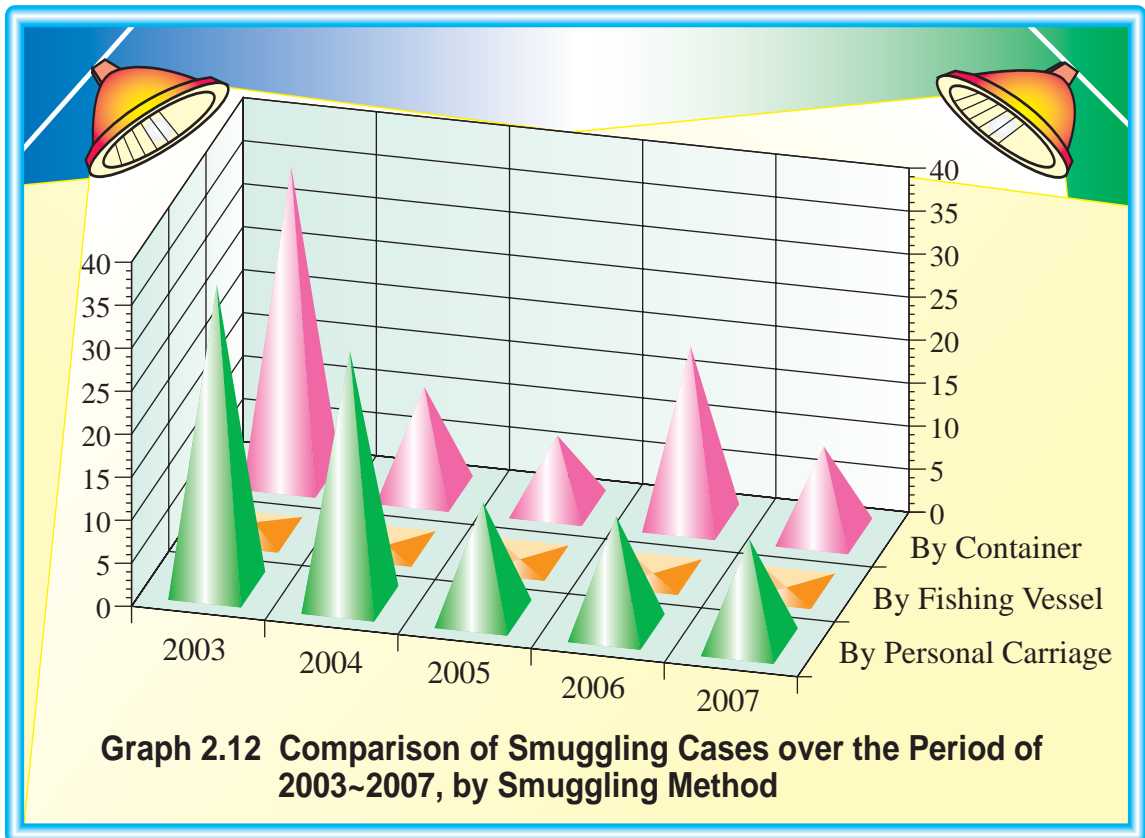


Table 2.16 Statistics of Smuggling Cases over the Period of 2003 ~ 2007, by Smuggling Method

Item 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
2003	72	88	36	47	1	1	35	40
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



3. Yu, **, the operator of Wen * Co. and Wu, **, the operator of Nain * Yu Enterprise Co. authorized Lien * Custom Services to report a batch of tea imported from China on November 22, 2006, however, when it was seized unreported dried mushrooms of up to 89,296 kilograms, pricing 5 million dollars after tax was found. The case was referred to the Prosecutor Office of Kaohsiung District Court for investigation on February 16, 2007.

F. Violations of Tax Collection Act

(a) Statistics:

Taxation law violation cases referred in 2007 totaled 91, an increase of 18.18% to 77 cases in 2006. These cases involved a total of 1,343 suspects, up 45.03% from 926 suspects in 2006. In terms of dollar amount involved, these cases totaled \$47,796,231,146, an increase of 45.03% as compared to \$331,148,949,913 in 2006. (see Table 2.04, 2.05, 2.17 and Graph 2.13)

Cases are broken down as follows according to article violation:

1. Article 41 of Tax Collection Act (taxpayer evades tax by illicit means): 27 cases
2. Article 43 of Tax Collection Act (Instigating or helping others to evade tax): 37 cases
3. Article 44 of Tax Collection Act and others: 27 cases (see Table 2.18 and

Graph 2.14)

(b) Significant cases:

1. Yong * Insurance Agent Co. allured employees with high commission fees to expand insurance business. Wu **, the operator of the Company had provided benefits of 'rental cars', 'contract consultants', and 'business expansion expenditures' for high-wage employees since 2002 to subtract their personal incomes and decrease personal income tax payment, which helped to evade business and personal income taxes of up to \$616,436,284. The case was referred to the Prosecutor Office of Taipei District Court for investigation on January 9, 2007.
2. Wang, **, the operator and Tsai, **, Yang, **, and Song, **, stockholders of Hsing * Industrial Co., Yi * Enterprise Co., and Ji * Metal Co. did not require the stainless steel waste whole seller to issue a uniform invoice during the period from 1998 to 2005, but bought uniform invoices from Taiwan * Recycling Cooperatives as proof of material purchasing. They saved cash and had remittance in bank accounts of related persons to hide the trading facts with actual suppliers, which accumulated to evading taxable sales income of up to \$12,834,030,000. The case was referred to the Prosecutor Office of Pancaio District

Table 2.17 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2003 ~ 2007

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
2003	53	100.00%	3.92%	331	100.00%	33.47%	59,219,329	292.66%
2004	38	71.70%	-28.30%	394	119.03%	19.03%	104,201,767	75.96%
2005	59	111.32%	55.26%	607	183.38%	54.06%	33,095,020	-68.24%
2006	77	145.28%	30.51%	926	279.76%	52.55%	331,148,950	900.60%
2007	91	171.70%	18.18%	1,343	405.74%	45.03%	47,796,231	-85.57%

Notes : 1. Relative to 2003 (100%)

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

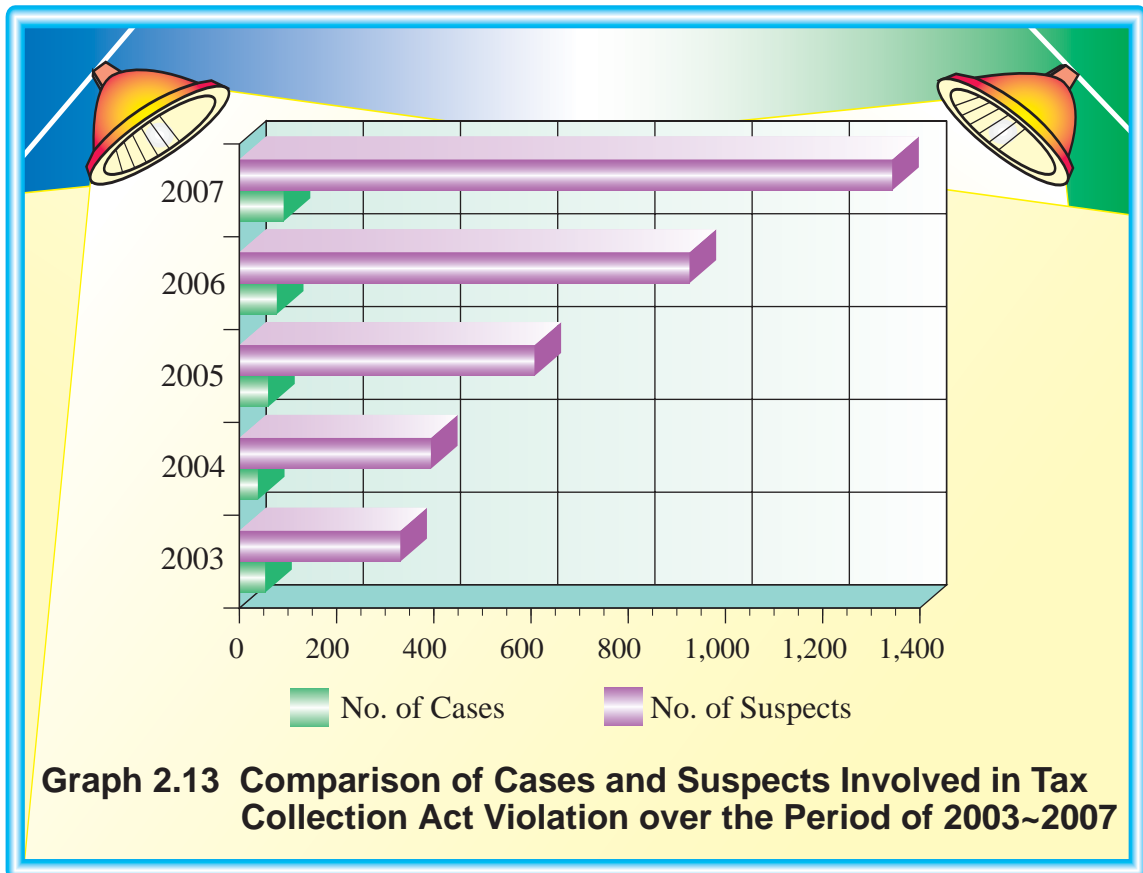
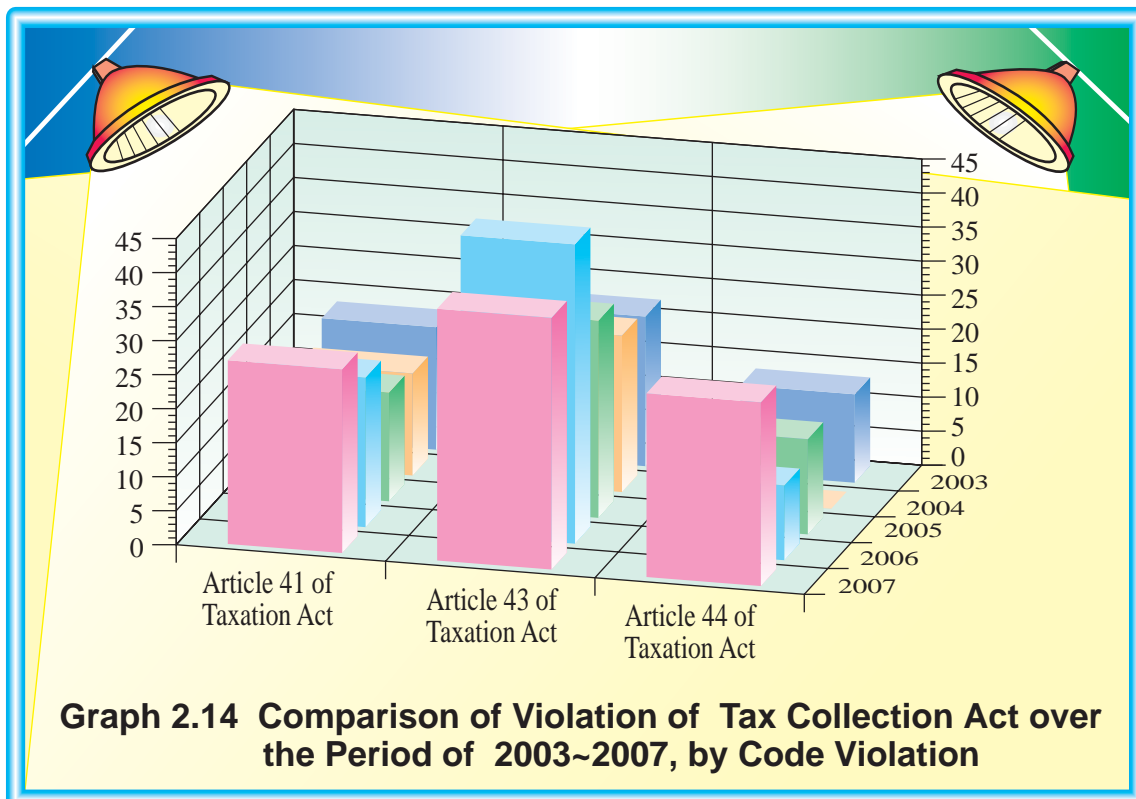


Table 2.18 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2003 ~ 2007, by Code Violation

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Article 41 of Taxation Act	Article 43 of Taxation Act	Article 44 of Taxation Act
2003	53	100.00%	3.92%	18	22	13
2004	38	71.70%	-28.30%	15	23	0
2005	59	111.32%	55.26%	16	29	14
2006	77	145.28%	30.51%	22	44	11
2007	91	171.70%	18.18%	27	37	27

Notes : 1. Relative to 2003 (100%)

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



Court for investigation on January 18, 2007.

3. Tong, **, the operator of Tong ** Firm worked in business booking, and assisted Chu *Co. and others to evade sales tax by issuing uniform invoices for trades that never happened during 2002 and 2003. The false purchases accumulated up to \$1,862,009,491, and the issued uniform invoices totaled up to \$1,860,659,858. The case was referred to the Prosecutor Office of Panciao District Court for investigation on March 3, 2007.
4. Lin, ** and Wang, ** of Kuon * Jen Construction Co. Ltd. engaged in selling false sales proof and uniform invoices and increased false business amounts of Ya * Trade Co. and 5 other companies. In addition, Li, ** established 5 ready-made companies, such as Po * and Ching * and others in order to apply for credit cards for Huang, **, which were all used to issue uniform invoices for false trading. Chiang, **, the operator of Zui * Co. and 6 other persons knew there were no true trading, but still issued the uniform invoices for the above-mentioned companies or purchased the uniform invoices for trading that never occurred. The total amounts reached \$15,232,700,176. The case was referred to the Prosecutor Office of Tainan District

Court for investigation on June 22, 2007.

G. Counterfeit/alternation of currency and negotiable securities

(a) Statistics:

Counterfeit/alternation cases referred in 2007 totaled 3, a decrease of 75% as compared to 12 cases in 2006. These cases involved a total of 8 suspects, a decrease of 66.67% as compared to 12 cases in 2006. In terms of dollar amount involved, these cases totaled \$2,658,630, down 99.21% as compared to \$336,910,700 in 2006. (see Table 2.04, 2.05, 2.19 and Graph 2.15)

Types of counterfeit/alternation cases include:

1. 0 case of counterfeit/alternation of currency
2. 3 cases of counterfeit/alternation of negotiable securities (see Table 2.04, 2.20 and Graph 2.16)

(b) Significant cases:

1. Lin, **, in January 2007, acquired a large amount of counterfeit 100-dollar RenMinBi bills from Yu, **, the leader of a RenMinBi counterfeit group, and handed it to Lu, **, Wang, **, and Hsu, ** who sold it at 100 RenMinBi dollars for 30 Taiwanese dollars, mixed with true RenMinBi, to exchange Taiwanese dollars in jewelry shops, or with tourists intending to travel to China in Taoyuan and Kaohsiung Airports.

Table 2.19 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2003 ~ 2007

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
2003	12	100.00%	-40.00%	37	100.00%	-32.73%	131,271,324	-79.75%
2004	25	208.33%	108.33%	55	148.65%	48.65%	1,041,450,273	693.36%
2005	13	108.33%	-48.00%	36	97.30%	-34.55%	31,624,360,986	2936.57%
2006	12	100.00%	-7.69%	24	64.86%	-33.33%	336,910,700	-98.93%
2007	3	25.00%	-75.00%	8	21.62%	-66.67%	2,658,630	-99.21%

Notes : 1. Relative to 2003 (100%)

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

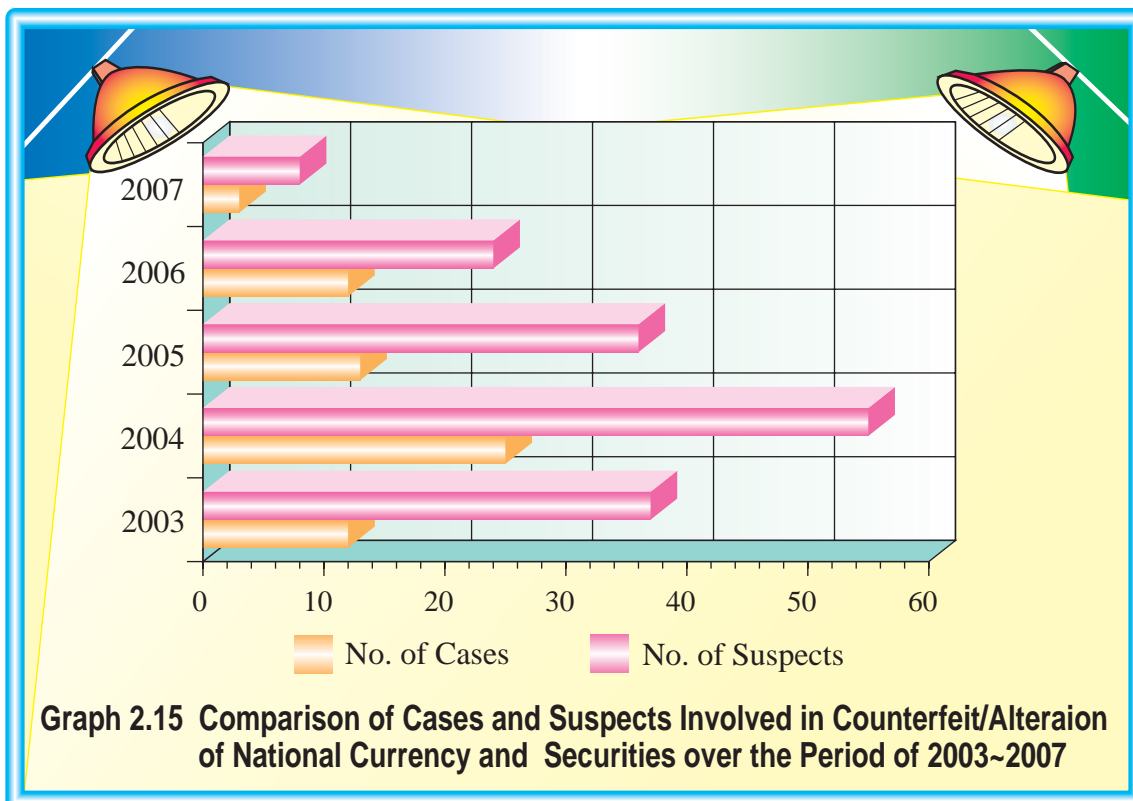
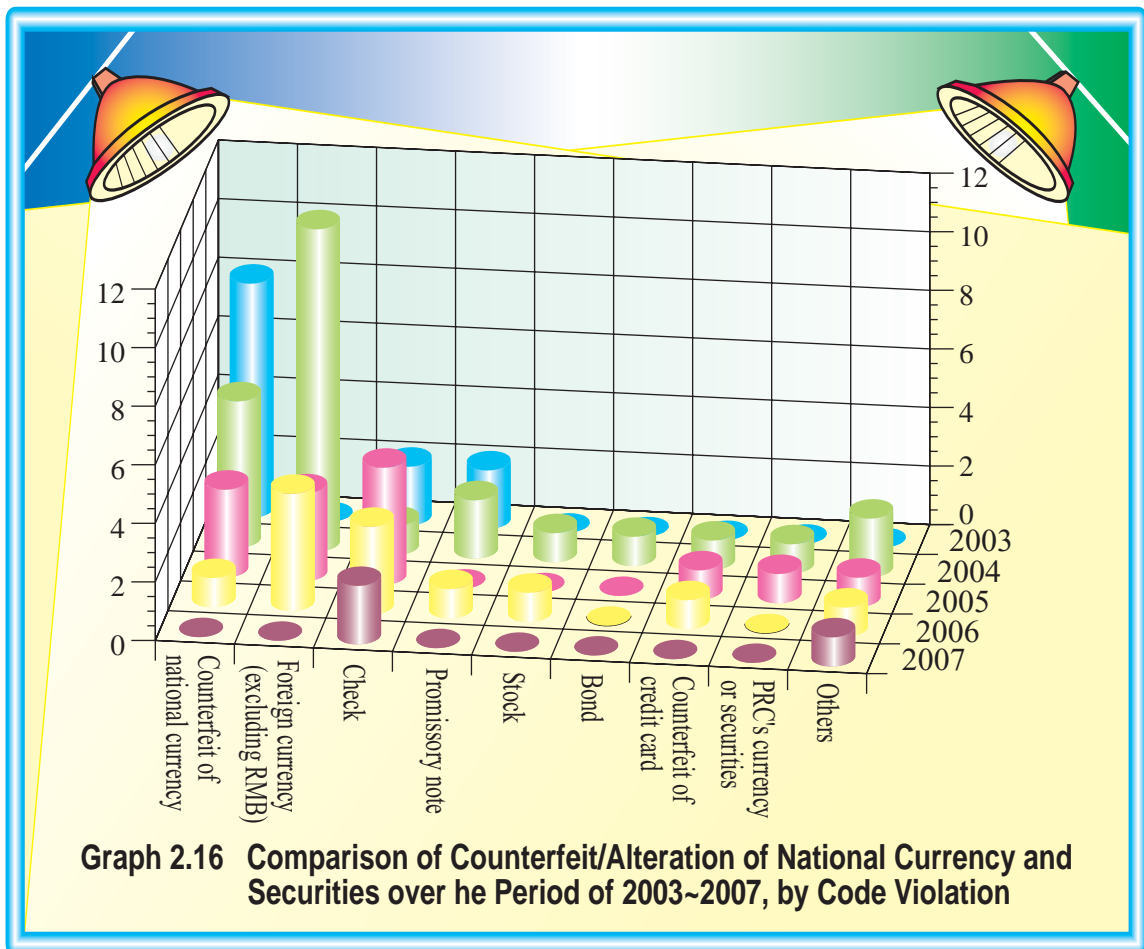


Table 2.20 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2003 ~ 2007, by Code Violation

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
2003	8	4	0	2	2	0	0	0	0	0
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



The investigators of the Bureau followed the evidence to seize 1,644 pieces of 100-dollar RenMinBi bills in Lu, **'s place on May 16, 2007. The case was referred to the Prosecutor Office of Taichung District Court for investigation on June 6, 2007.

2. In October, 2005 Special Assistant Huang, ** and Secretary Lu, ** from Taipei Hsin* Branch of Chu * Asset Management Co. Ltd. dealt with the purchase of the apartment owned by Chiang, ** on Chungwa Rd. Section II, Taipei City, and authorized Hong* Real Estate Co. to write up the agreement for price negotiation. However, Huang, ** issued a personal check and contracted Lu, ** as a counterfeit issuer, in order to prevent the buyer from depositing the negotiation fee of 2 million dollars, committing the crime of counterfeit/alternation of currency and negotiable securities. The case was referred to the Prosecutor Office of Taipei District Court for investigation on November 26, 2007.

H. Violation of Tobacco and Alcohol Administration Act

(a) Statistics:

Only 1 case was referred to investigation in 2007, with 0 in 2006. 1 suspect was involved in the case, but 0

in 2006. The involved amount is 25,435 dollars in 2007, compared to 0 in 2006. (See Table 2.04, 2.05, 2.21 and Graph 2.17)

(b) Significant cases:

In April, 2007 Lai, **, the operator of Bao * NanYan Food Co. authorized Ming* Customs Services to report importing a batch of coconut milk from Thailand to Keelung Customs Office. However, 30 boxes of unreported white wine and 45 boxes of Whisky were seized during inspection. This case was referred to the Prosecutor Office of Keelung District Court for investigation on December 3, 2007.

I. Violation of Banking Act

(a) Statistics:

Banking Act Violation cases referred in 2007 totaled 48, an increase of 14.29% to 42 cases in 2006. These cases involved, in total, 151 suspects, a decrease of 36.55% from 238 suspects in 2006. In terms of dollar amount involved, these cases totaled \$64,729,832,331, decreasing 25.72% as compared to \$87,148,665,598 in 2006. (See Table 2.04, 2.05, 2.22 and Graph 2.18)

Types of violation include:

1. Illegal fund absorption: 8 cases
2. Unauthorized operation of remittance and acceptance: 24 cases
3. Others: 16 cases (see Table 2.23 and Graph 2.19)

Table 2.21 Statistics of Cases Concerning Violation of Tobacco and Alcohol Administration Act over the Period of 2003 ~ 2007

Item Year	No. of Cases	Percent Change*	No. of Suspects	Percent Change*	Amount Involved (NT\$)	Percent Change*
2003	48	200.00%	87	163.64%	68,658,720	-13.31%
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

Notes : Percent Change = $[(\text{Current year} - \text{previous year}) / \text{Previous year}] \times 100\%$

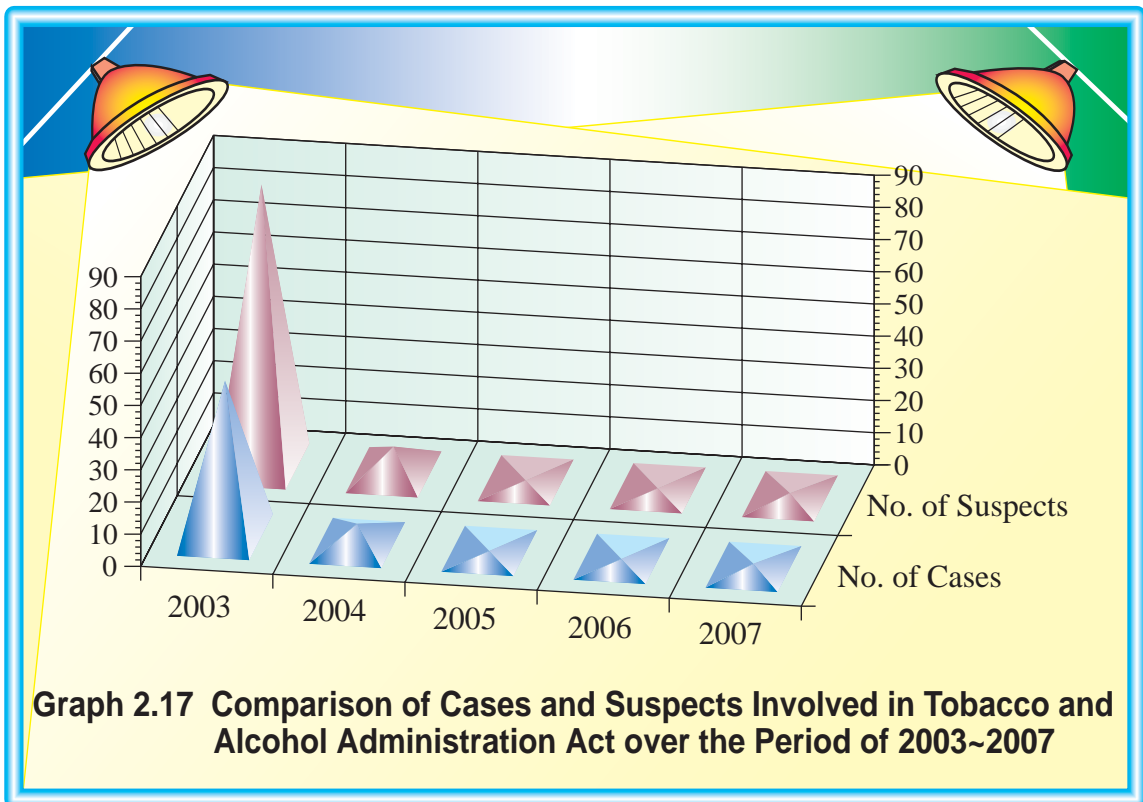


Table 2.22 Statistics of Cases Concerning Violation of Banking Act over the Period of 2003 ~ 2007

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
2003	21	100.00%	-16.00%	108	100.00%	31.71%	37,495,916	22.38%
2004	10	47.62%	-52.38%	50	46.30%	-53.70%	10,744,789	-71.34%
2005	16	76.19%	60.00%	35	32.41%	-30.00%	8,180,380	-23.87%
2006	42	200.00%	162.50%	238	220.37%	580.00%	87,148,666	965.34%
2007	48	228.57%	14.29%	151	139.81%	-36.55%	64,729,832	-25.72%

Notes : 1. Relative to 2003 (100%)

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

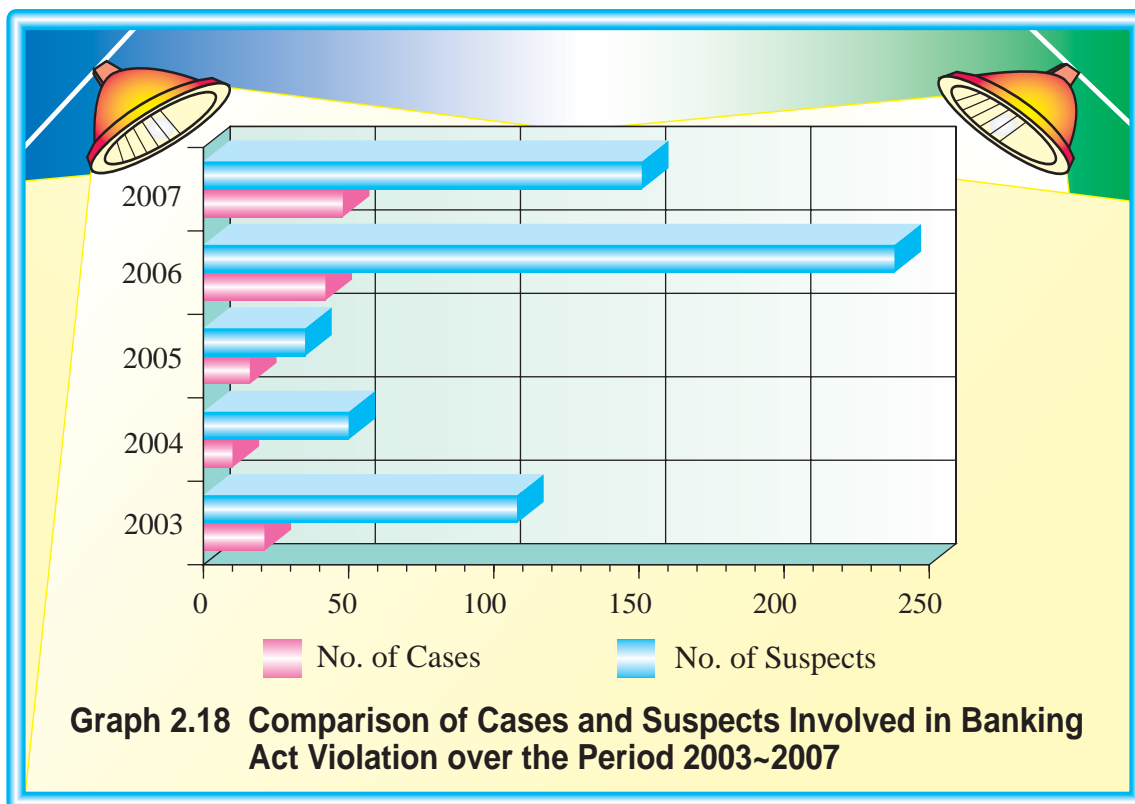


Table 2.23 Statistics of Cases Concerning Violation of Banking Act over the Period of 2003 ~ 2007, by Code Violation

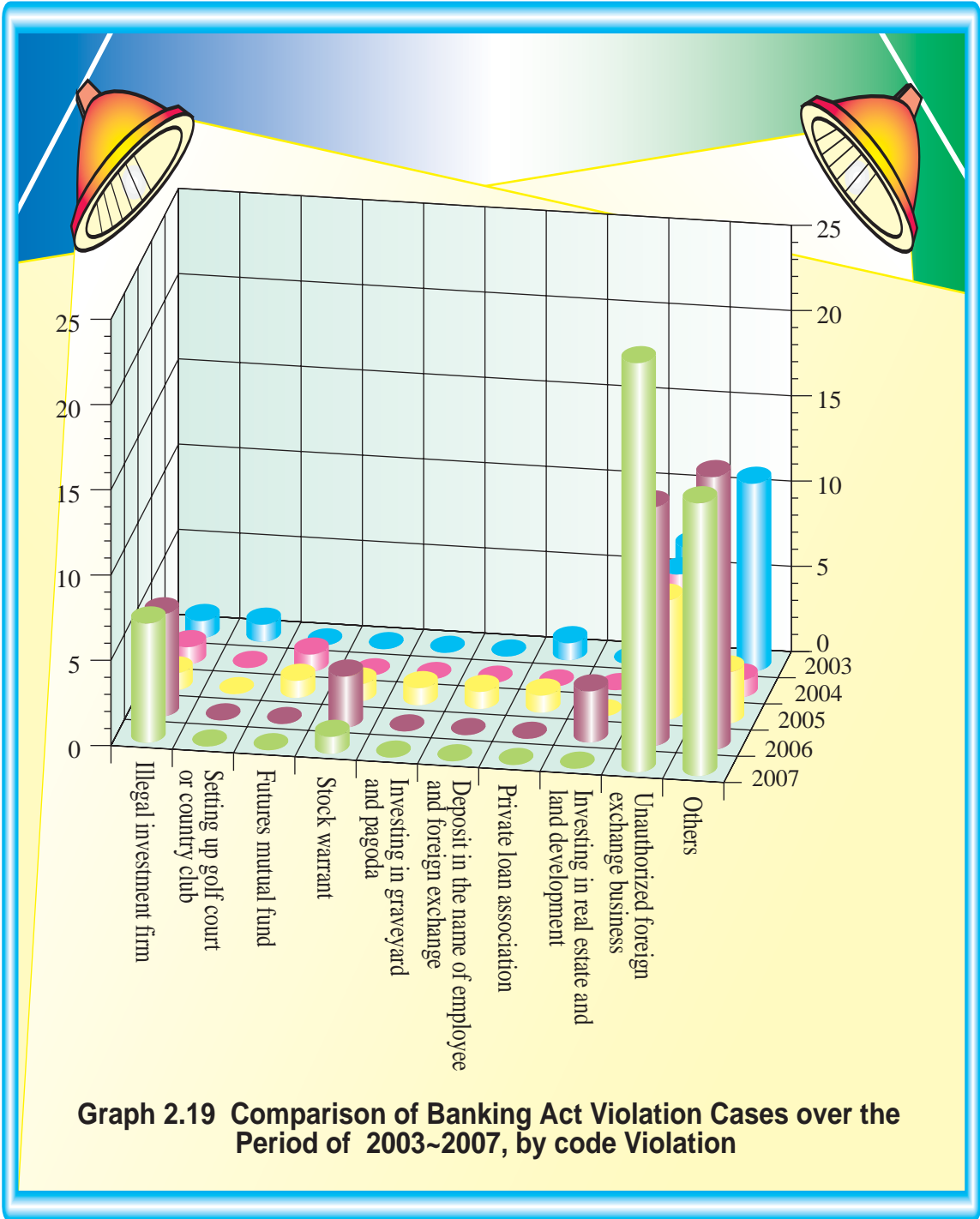
Item Year	No. of Cases	Relative Rat ¹	Percent Change ²	Illegal investment firm	Setting up golf court or country club	Futures mutual fund	Stock warrant	Investing in graveyard and pagoda
2003	21	100.00%	-16.00%	1	1	0	0	0
2004	10	47.62%	-52.38%	1	0	1	0	0
2005	16	76.19%	60.00%	1	0	1	1	1
2006	42	200.00%	162.50%	6	0	0	3	0
2007	48	228.57%	14.29%	7	0	0	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
2003	0	1	0	7	11
2004	0	0	0	7	1
2005	1	1	0	7	3
2006	0	0	3	14	16
2007	0	0	0	24	16

Notes : 1. Relative to 2003 (100%)

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



(b) Significant cases:

1. Yeh, **, of Chu * Asset Management Co. aware of the regulation that non-bank institutes cannot, managed money deposits, absorbed money from non-specified persons and paid incomparable interests through mutual-assistant society from 1993 to 2007. The total absorption accumulated to over 18 billion dollars. The case was referred to the Prosecutor Office of Taichung District Court for investigation on March 25, 2007.
2. Wang, **, the owner of Chung * Commercial Bank required Mao * and Chow * Printing Co. and 14 other borrowers to purchase the company bonds of Li * and Cha * Hwa Companies in 2004, 2005, and 2006. The illegal banking of up to 4.27 billion dollars was referred to the Prosecutor Office of Taipei District Court for investigation on February 15, 2007.
3. Hwa * Commercial Bank promoted a Consumptive Housing Mortgage Program in December of 2004, and Deputy Manager Chen ** from the Personal Financing Division cooperated with his wife Fu, **, and Chen, **, the operator and Lin, **, the accounting staff of Han * Marketing Co. to counterfeit Chiang, ** and 38 other persons as borrowers when persuading relatives and

friends to invest in real estate from January to September 2005. He then used false trading contracts, counterfeit Personal Income Tax Statement Filing Counter, and the increased and false real estate trading price to get a mortgage loan from Hwa * Commercial Bank for up to \$655,100,000. The case was referred to the Prosecutor Office of Taipei District Court for investigation on July 6, 2007.

4. Lin, **, the operator of Bao * Tsun Group had claimed he had special channels to purchase a diamond mine for making big profits and had recruited unspecified investors for \$13,000 per person with a 69% annual interest rate since May of 2006. The illegal absorption of capital accumulated \$1,833,628,062 till June of 2007. The case was referred to the Prosecutor Office of Taichung District Court for investigation on August 2, 2007.
5. Huang, **, the owner of Shan * Co. absorbed capital of up to \$867,494,900 from unspecified persons with the excuse of emergent capital of business operation and had paid a monthly interest rate of 1.5% to 3% since 1997. In addition, Huang, ** lied to Chen, ** about investing on buying foreclosure houses and aquired 245,785,000 dollars. The case was referred to the

Prosecutor Office of Taipei District Court for investigation on December 3, 2007.

J. Infringement of Intellectual Property Rights

(a) Statistics:

Intellectual property infringement cases referred in 2007 totaled 116, a decrease of 1.69%, as compared to 118 cases in 2006. These cases involved a total of 160 suspects, down 11.11% in comparison with 180 suspects in 2006. In terms of dollar amount involved, these cases totaled \$13,328,078,029, rising 299.02% as compared to \$3,340,230,433 in 2006. (See Table 2.04, 2.05, 2.24 and Graph 2.20)

Types of violation include:

1. Violation of Trademark Act: 86 cases
2. Violation of Copyright Act: 30 cases (see Table 2.04, 2.24 and Graph 2.21)

(b) Significant cases:

1. Li, **, the operator of Ching * Information Technology Co. Ltd. innovated a software FOXY in 2005 and registered the patent and the FOXY website in the USA to provide free access for non-specific website browsers to freely download 15,068 songs and 112 movies, legally owned by members of IFPI (International Federation of the Phonographic Industry) Member Foundation in Taiwan or the

Foundation for the Protection of Film and Video Works. The action damaged the rights of those legal owners for up to \$4,583,961,275 and, at the same time, the website browser reached 300,000 to 600,000. Sharing became copyright piracy, and the case was referred to the Prosecutor Office of Pancaio District Court for investigation on June 15, 2007.

2. In March, 2006 Wang, **, the software engineer of Tei * En Co. divulged programming files which should have been confidential and whose intelligence rights were owned by Tei * En Co. Lu, **, the owner of Chan* Tech Co. bought the files. Chan * Tech. could thus mimic production of 10 image screeners and reproduce the original files to facilitate image screener operation and receive product orders as the business competitor of Tei * En Co. The action damaged the rights of Tei* En Co. for up to \$1,409,000,000, and the case was referred to the Prosecutor Office of Kaohsiung District Court for investigation on October 15, 2007.
3. Tzeng, **, the operator of Chuan * Dou Media Enterprise Co., operated "Honey Music, Love Story", a P2P software, and founded the KUPEER website on August of 2005. The website provided the browsers a link

Table 2.24 Statistics of Involved in Intellectual Property Rights Infringement Cases and Types over the Period of 2003 ~ 2007

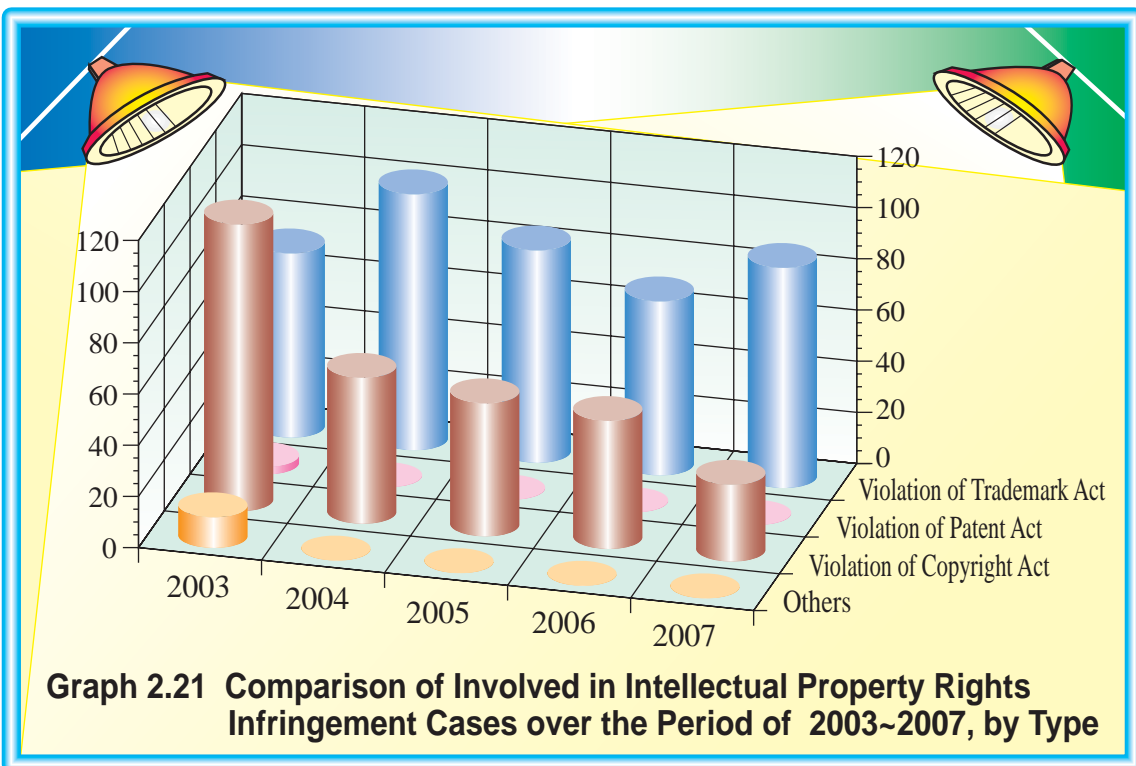
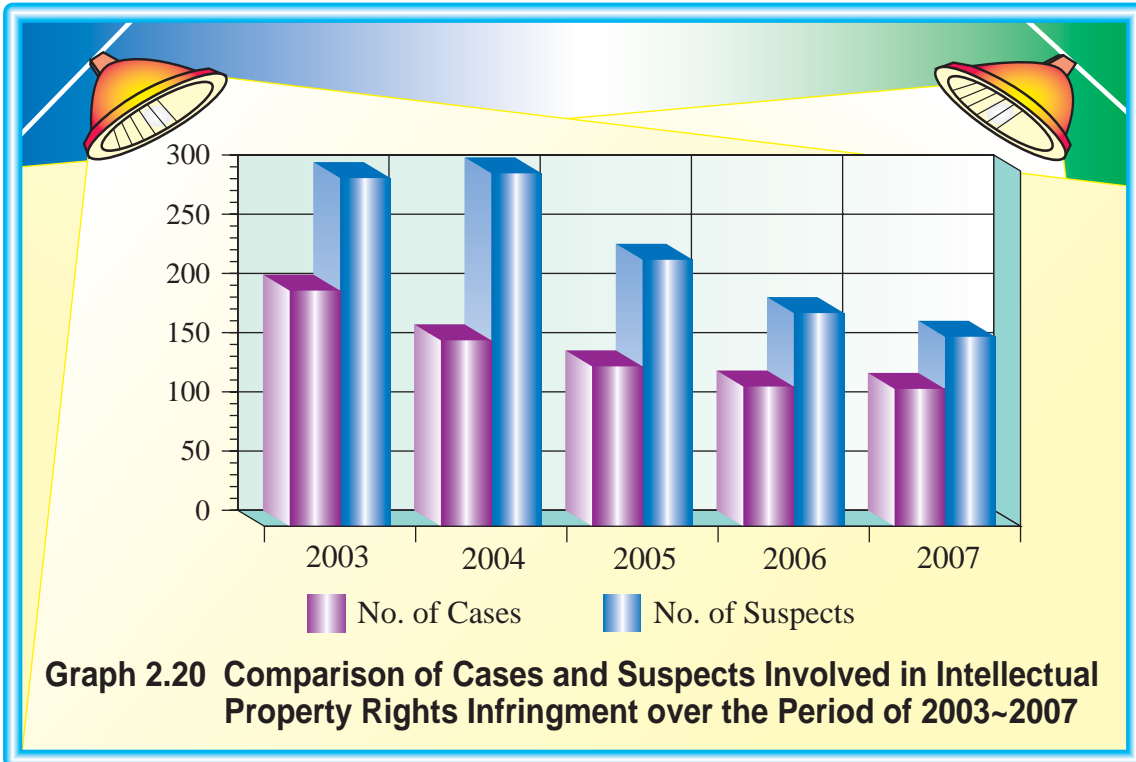
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
	2003	199	100.00%	1.53%	294	100.00%	-3.92%	5,098,627
2007	157	78.89%	-21.11%	298	101.36%	1.36%	5,483,855	7.56%
2005	135	67.84%	-14.01%	225	76.53%	-24.50%	994,891	-81.86%
2006	118	59.30%	-12.59%	180	61.22%	-20.00%	340,230	235.74%
2007	116	58.29%	-1.69%	160	54.42%	-11.11%	13,328,078	299.02%

Table 2.24 (cont.)

Item Year	Violation of Trademark Act		Violation of Patent Act		Violation of Copyright Act		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
2003	72	96	3	3	112	173	12	22
2004	100	191	0	0	57	107	0	0
2005	83	138	0	0	52	87	0	0
2006	68	115	0	0	50	65	0	0
2007	86	118	0	0	30	42	0	0

Notes : 1. Relative to 2003 (100%)

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



to 'gyy' of my web in Chunghwa Telecom, registered by the browser, to download P2P software. The Ku *ChinChon Advertisement Co. paid \$0.25 for the advertisement fees based on each browser click . Sharing became copyright piracy, and IFPI (International Federation of the Phonographic Industry) Member Foundation in Taiwan or the Foundation for the Protection of Film and Video Works suffered intellectual rights damage, estimated of up to \$1,737,840,000. The case was referred to the Prosecutor Office of Taichung District Court for investigation on December 18, 2007.

cases referred in 2007 totaled 67, a decrease of 10.67% when compared to 75 cases in 2006. These cases involved a total of 344 suspects, up 12.79% as compared to 305 suspects in 2006. The dollar amount involved in these cases totaled \$76,178,028,396, an increase of 180.89% when compared to \$27,120,080,244 in 2006. (see Table 2.04, 2.05, 2.25 and Graph 2.22)

Types of violation include:

1. Settlement default: 1 case
2. Insider trading: 14 cases
3. Stock price manipulation: 23 cases
4. Illegal financing/security loan: 1 case
5. Unauthorized business operation: 3 cases
6. Unauthorized issuance of securities: 1 case
7. Others: 24 cases (see Table 2.25 and Graph 2.23)

K. Violation of Securities and Exchange Act

(a) Statistics:

Securities & Exchange Act violation

Table 2.25 Statistics of Involved in Securities & Exchange Act Violation Cases and Types over the Period of 2003 ~ 2007

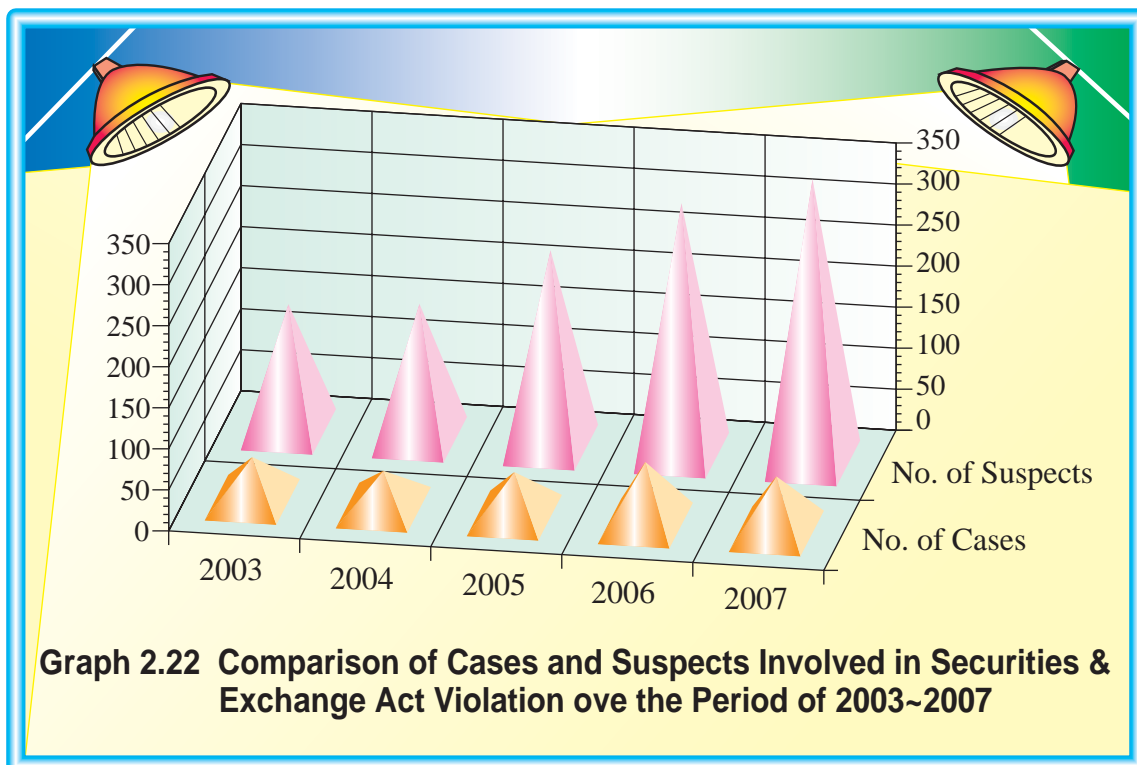
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²	Trade Default		Insider Trading	
									No of Cases	No. of Suspects	No of Cases	No. of Suspects
2003	52	100.00%	52.94%	153	100.00%	47.12%	6,804,738	-29.15%	3	3	15	44
2004	45	86.54%	-13.46%	163	106.54%	6.54%	16,138,038	137.16%	6	10	10	21
2005	53	101.92%	17.78%	238	155.56%	46.01%	73,770,393	357.12%	3	3	11	24
2006	75	144.23%	41.51%	305	199.35%	28.15%	27,120,080	-63.24%	0	0	15	57
2007	67	128.85%	-10.67%	344	224.84%	12.79%	76,178,028	180.89%	1	4	14	59

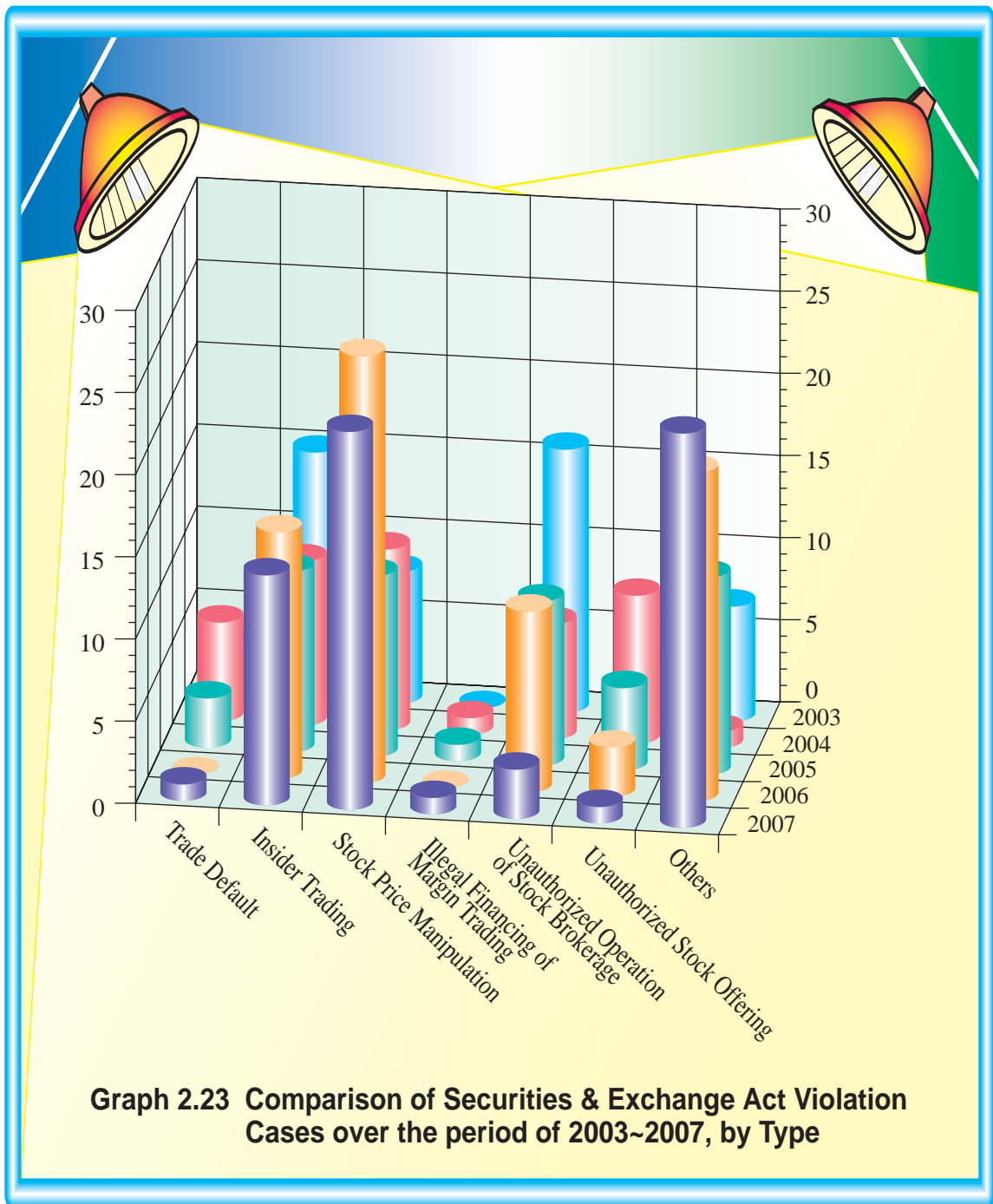
Table 2.25 (cont.)

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
2003	8	24	0	0	16	44	3	22	7	16
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

Notes : 1. Relative to 2003 (100%)

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





(b) Significant cases:

1. Wang, **, the operator of China Li * Co.: ① founded Hsin ** and 16 other small ready-made companies under, Group Enterprise, with the long-term stock capital investment of up to \$4,197,000,000, during 1999 and 2000. All paper stocks lost any existing value. ② Yi * Co. and other small ready-made companies under the Group Enterprise, have a guarantee totally up to \$4,655,830,000 endorsed by China Li * Co. during 2006, and had a joint obligation to the debt. ③ \$2,641,100,000 was prepaid to some small ready-made companies under Group Enterprise as a large-batch grain purchase from 2000 to 2006, which was then listed as a loss, ④ \$164,550,000 and \$99,500,000 cash was respectively transferred from Li * Co. and Yi * Department Store as "working capital". This infringed upon the Securities Exchange Act, and was referred to the Prosecutor Office of Taipei District Cour for investigation t on February 15, 2007.
2. Wang, **, the operator of Cha * Food and Textile Co., ① founded Li* and 23 other small ready-made companies under Group Enterprise with long-term capital stock investment of up to \$3,923,240,000, from 1998 to 2001. all the paper stocks lost any existing value, ② Chiang * Co. and other small ready-made companies under the Group Enterprise, were endorsed a guarantee for up to \$2,170,720,000 during 1997, and had the joint obligation to the debt. ③ \$737,460,000 was prepaid to some small ready-made companies under the Group Enterprise for corn purchases during 2000, which was then listed as a loss ④ \$68,580,000 of capital was transferred to him by false purchase of corn from Tsung* Enterprise and others. This infringed upon the Securities Exchange Act, and was referred to the Prosecutor Office of Taipei District Court for investigation on February 15, 2007.
3. Chung * Financial Holding Co. with intent to Chou * Financial Holding Co., Ku, **, the chair of board director of Chung * Bank, ordered Chiang, **, the director of Finance Department, in October of 2005, to buy equity-linked notes (ELN) of US\$390,000,000 from Ber*ery Bank through ** Branch of Chung * Bank and focus the investment objects on stocks of Chou * Financial Holding Co. On January 27, 2006, Chung * Financial Holding Co. applied for the Finance Supervisory Commission to buy 5% to 10% stocks of Chou * Financial Holding Co., however, on the same day Chung * Bank sold the above-mentioned ELN to Hong *

- Co. owned and physically controlled by Ku, ** and Chen, **, the general manager. On February 9, 2006, Chung * Financial Holding Co. declared purchase of stock shares of Chou* Financial Holding Co., and Chen, ** directed Oh, **, the registered owner of Hong * Co. to take advantage and sell the ELN, making profits of about US\$ 27,000,000 (about NT\$900 million) while damaging Chung * Bank. The case was referred to the Prosecutor Office of Taipei District Court for investigation on January 26, 2007.
4. On April 9, 2002, The Board of Directors meeting of Li * Computer Co. passed the loss of \$3,065,200,000, reaching half of the Paid-up Capital, and declared that the Meeting decided to proceed with capital reduction to diminish loss, but covered the significant news that the loss reached half of the paid-up capital. Huang, **, the Chair of the Company commanded Li, **, the manager of Shareholder Service to sell up to 25,220,000 shares from Li * Investment Co. controlled by Huang, ** between January 3 and April 24, 2002. This action avoided the loss of the stock price declining up to \$70,000,000, and was referred to the Prosecutor Office of Taichung District Court for investigation on July 20, 2007.
 5. On March 8, 2006 Ying * Ta Co. announced that the net consolidated revenue of \$6,800,070,000 of February suffered a decrease 48.88% when compared to \$13,400,040,000 of January on the Public Information Website. The major reason was that the important client, App* Computer Co. transferring parts of orders for i-Pods to Kuan * Co. In addition, App* Computer Co. provided the order to Ying * Ta Co. for about 4,010,000 iPod units on January 19, 2006, a significant decline of 23% compared to the estimated 5,210,000 units on January 11, 2006. On February 2, 2006, the order was decreased to 3,510,000 units. However, Chiang, **, the chair, Li, **, the general manager, and 21 other persons sold 4,336,000 stock shares before the significant announcement to avoid loss of up to \$140,410,000. The case was referred to the Prosecutor Office of Panciao District Court for investigation on August 8, 2007.
 6. Chiang, ** worked as the chief investment officer of Fu * Financial Holding Co. and also as the general manger of the investment group for Fu * Life Assurance Co. and the standing board director of Hsing * Commercial Bank representing Fu * Life Assurance Co. From October 14 to 17, 2005, he was aware of the

news about real estate trading between Fu * Life Assurance Co. and Cha * Enterprise Co. and ordered Chen, **, the deputy manager of Investment Department in Fu * Life Assurance Co. to purchase stocks of Cha * Enterprise Co. by using proxy accounts before announcement of the news. From September 20 to October 5, 2006, he got news that Cha * Bank was going to merge and purchase stock shares of Hsing * Commercial Bank and commanded Chen, ** to purchase stock shares of Hsing * Commercial Bank and to resell them when stock price boosted because of the significant news. The action profited them with illegal revenues of \$152,290,000, and the case was referred to the Prosecutor Office of Taipei District Court for investigation on September 27, 2007.

7. Ku, ** and others of Kai * Financial Holdings Group infringed upon the Securities & Exchange Act. ① General Manager Ku, ** of Kai * Holdings Group combined with others purchased 35,464,000 units of stock shares of King * Securities Co. with \$348,310,000 through Kai * International Co. before the board of directors meeting on June 27, 2005, and passed King * Securities Co. as the investment object. ② Chen, **, the chair of the board of directors

decided to purchase 34,664,000 shares of the King * Securities Co. at 14 dollars per share on March 1, 2006, and Kai * International Co. made profits of up to \$144,890,000. ③ Wu, **, the chair of the board of directors of Kai * International Co. and also the deputy general director of Ka * Holdings Co., signed pre-trading contracts with share holders of Hwang * Securities Finance Co. for 50 days starting from November 18, 2005, to acquire 34.52% of Hwang * Securities Finance Co. shares through Kai * International Co. After 50 days the formal trading contracts were signed among Kai * International Co., Ta * Securities Co., and share holders of Hwang * Securities Finance Co., ④ Yang, the Chief Investment Officer of Kai * Financial Holding Co. was involved in Breach of Trust: On January 11, 2006, Chung * Development Industrial Bank sold a batch of 24 assets of overseas bio-tech companies with US \$88,690,000 to Collier ** Fund Co., however those assets had an increased market value of up to US\$23,480,000 due to public listing of companies and other reasons, but Yang, ** did not re-evaluate the selling price and accordingly reported to the board of directors meeting. ⑤ Accountant Lin, ** of Diao * Accountant Firm

was involved in counterfeiting auditing reports: Lin, ** associated with Kai * Development Industrial Bank to sell overseas assets with cheap prices, deliberately covered the significant points about public listings of those companies and underestimated the values of these assets with the excuse of applying a net value method to share rights and make calculation errors, and produced a false opinion report. The case was referred to the Prosecutor Office of Taipei District Court for investigation on October 24, 2007.

8. Huang, **, the Chair of Ya * Co. , commanded Yeh, **, the assistant manager of Finance Division to list new orders as the delivered products and include them as revenues, and to offset them in coming months from January of 2006 to February of 2007. In addition, Ya * Co. took the revenues of the branch Co. in Suchow, China as its revenues, therefore, competitively recorded revenues of overseas branches. The financial statements of the first season, first half year, and the third season in 2006, and of net revenue announcements from January 2006, to February 2007, included false numbers and expanded the counterfeit revenue of \$18,640,030,000 in 2006, business revenue of \$846,100,000 in January

and February of 2007, and business costs of the first three seasons of up to \$10,373,990,000. The case was referred to the Prosecutor Office of Shilin District Court for investigation on October 30, 2007.

9. Lu * High-tech Co. was introduced by Ho, **, the general director of Pu * Enterprise Group to American Jay* Enterprise Co. for further cooperation in August of 2005. However, Ko, **, the operator of Pu * Enterprise Group and Ho, ** ordered Wang, ** to purchase 47,892,000 shares of Lu * High-tech Co. by making use of securities accounts of 8 companies under Pu * Enterprise Group before the above-mentioned significant news was announced. After the news was disclosed, those shares were all sold out with profits up to \$1,200,430,000. The case was referred to the Prosecutor Office of Taipei District Court for investigation on December 17, 2007.

L. Violation of Fair Trade Act

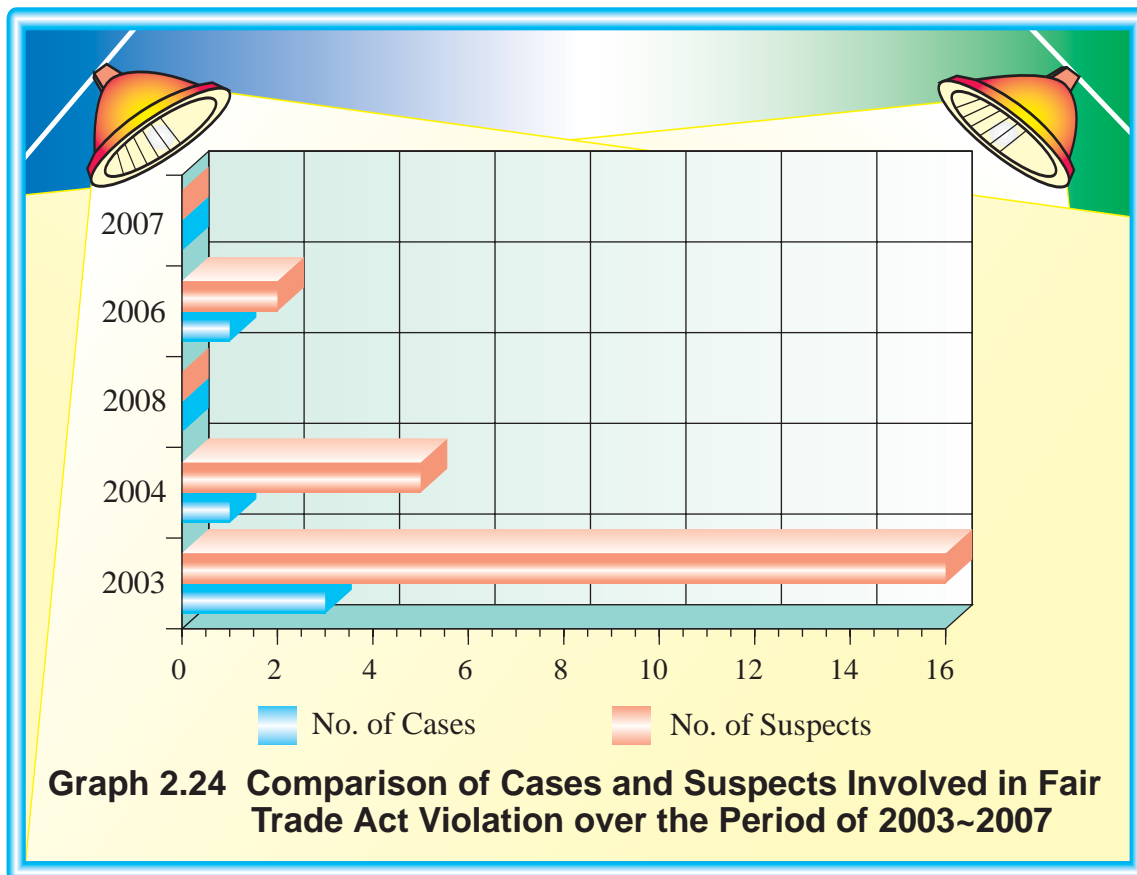
This Bureau refer did not any Fair Trade Act violation case to the public prosecutors office in 2007. (See Tables 2.04, 2.05, 2.26 and Figure 2.24)

Table 2.26 Statistics of Cases Concerning Violation of Fair Trade Act over the Period of 2003 ~ 2007

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
2003	3	100.00%	-40.00%	16	100.00%	14.29%	100,350,000	-54.93%
2004	1	33.33%	-66.67%	5	31.25%	-68.75%	0	-100.00%
2005	0	0.00%	-100.00%	0	0.00%	-100.00%	0	NA
2006	1	33.33%	NA	2	12.50%	NA	0	NA
2007	0	0.00%	-100.00%	0	0.00%	-100.00%	0	NA

Notes : 1. Relative to 2003 (100%)

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



M. Violation of Futures Trading Law

(a) Statistics:

Futures Trading Law violation cases referred in 2007 totaled 18 cases, the same as in 2006. These cases involved 64 suspects, down 4.48% as compared to 67 suspects in 2006. In terms of dollar amount involved, these cases totaled \$258,387,947, a decline of 70.39% as compared to \$872,744,247 in 2006. (See Table 2.04, 2.05, 2.27 and Graph 2.25)

(b) Significant cases:

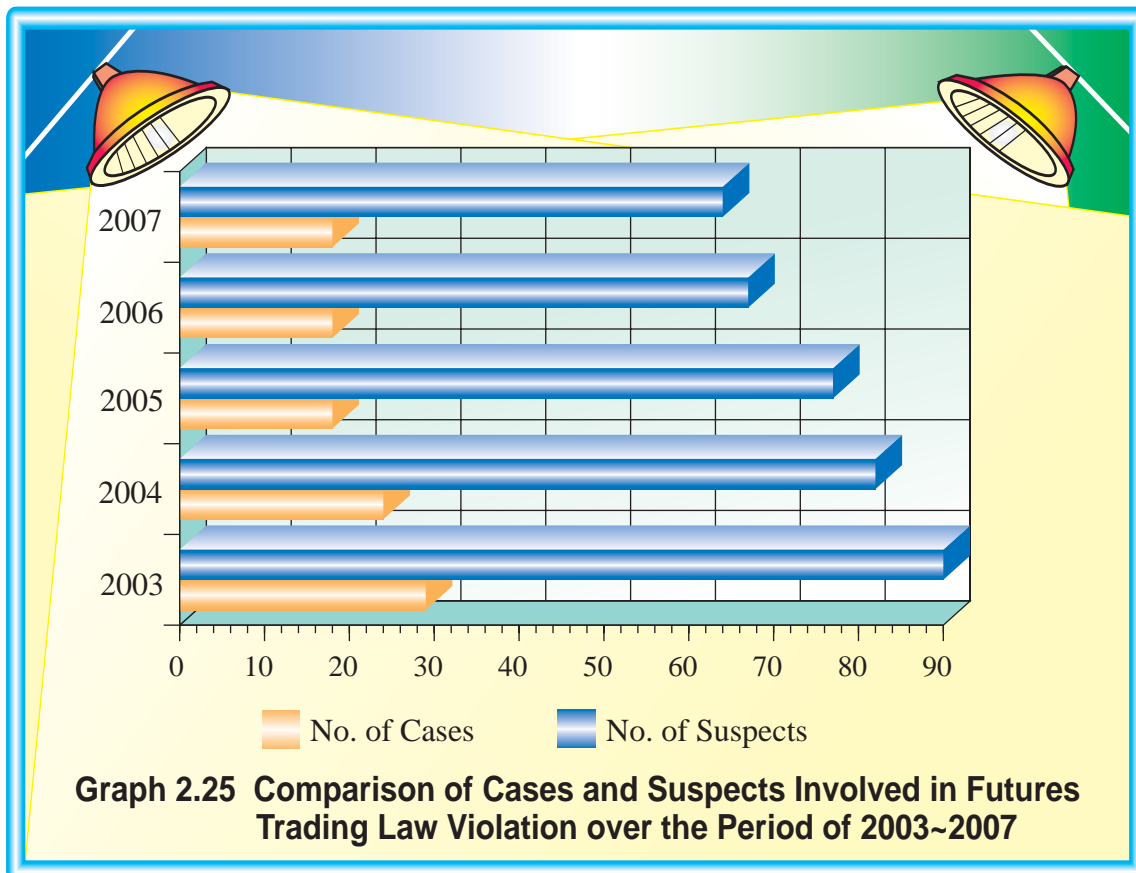
1. The website "Chang ** Family of Yahoo Futures Expert" and its operator Tsai, ** were not approved by the competent authority, but he has applied for ADSL setting with his mother's name Chang Jhan ** , which had been used to operate the above-said website since July of 2004. The website advertised information about futures and securities balancing account operation at the same day and period operation. Users paying the membership fee according to information on website might become members and receive related operation information by cell phone messages or website. The case was referred to the Prosecutor Office of Tainan District Court for investigation on May 30, 2007.
2. Chang, ** , Director, Li * Chi and Li, * Chuan, administrative managers, and Wu, ** the registered owner of Shan * Han Co., claimed their special authorization relationship with China Trust Commercial Bank and operated foreign exchange margin trading without approval since 2004. They advertised slogans, like 'guaranteed profit', 'at least the investment capital is guarantee', and 'Chang, **'s operation was stabilized and profitable just as Buffett's to seduce Yang, ** and others into investing until all was lost. The case was referred to the Prosecutor Office of Taipei District Court for investigation on August 3, 2007.
3. Hsieh, **, the dealer and supervisor of Security Dealer Division, Chun * Futures Co. aware of prohibition of trading with securities dealer's account or name to operate securities for his own profit, used his sister to open a proxy account to operate securities from May to December of 2006. He applied for on-line ordering and made a bucket for Taiwan Stock Index Options toward the option account of Security Dealer Division, and used market deviated values and offset at the same day to cause loss of Chun * Futures Co. and personal profits up to \$4,452,200. The case was referred to the Prosecutor Office of Taipei District Court for investigation on December 4, 2007.

Table 2.27 Statistics of Cases Concerning Violation of Futures Trading Law over the Period of 2003 ~ 2007

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
2003	29	100.00%	16.00%	90	100.00%	11.11%	179,532,458	12.93%
2004	24	82.76%	-17.24%	82	91.11%	-8.89%	244,934,488	36.43%
2005	18	62.07%	-25.00%	77	85.56%	-6.10%	115,285,200	-52.93%
2006	18	62.07%	0.00%	67	74.44%	-12.99%	872,744,247	657.03%
2007	18	62.07%	0.00%	64	71.11%	-4.48%	258,387,947	-70.39%

Notes : 1. Relative to 2003 (100%)

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



N. Violation of Insurance Act

(a) Statistics:

There were 3 cases of Insurance Act violation referred in 2007, an increase of 50% in comparison with 2 cases in 2006. These cases involved 8 suspects, decreasing 46.67% from 15 suspects in 2006. In terms of dollar amount involved, these cases totaled \$106,602,011, a significant decrease of 91.10% compared to \$1,198,324,708 in 2006. (see Table 2.05, 2.28, and Graph 2.26)

(b) Significant cases:

1. Ho, **, the actual operator of John * Tech Co. Ltd. promoted the insurance of "0-burden Vehicle Security System, Vehicle Security Responsibility Guarantee' without approval and persuaded new car buyers to choose it with the slogan 'lose a car, get a new car' through dealers all over the country since 2001. The case was referred to the Prosecutor Office of Kaohsiung District Court for investigation on December 7, 2007.
2. Chiang, ** and Lin, **, insurance adjusters of Shan * Branch of Chung * Insurance Co. counterfeited medical statements, letters of settlement, and car accident proof and used Lin, ** and others to claim compensations of \$6,602,011 from September of 2003 to December of 2004. The case was referred to the

Prosecutor Office of Panciao District Court for investigation on July 26, 2007.

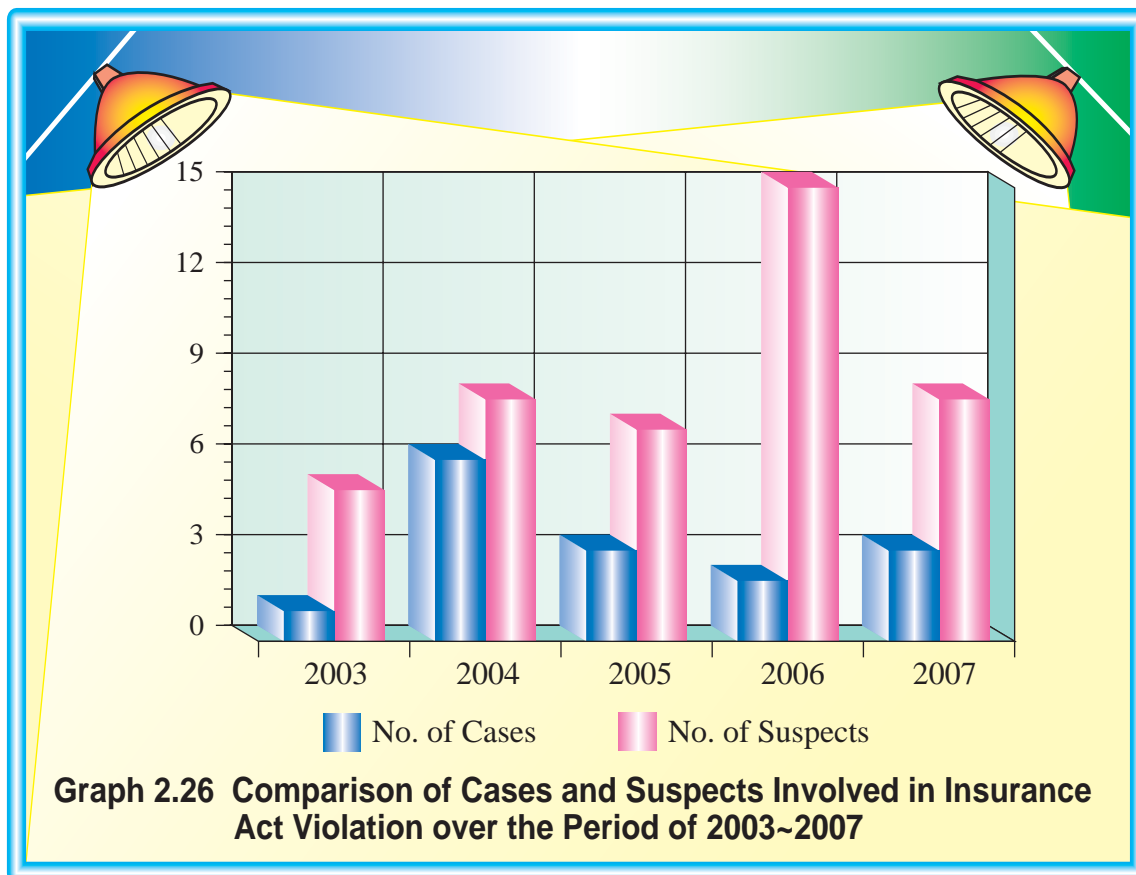
3. Tsai, ** of Cha * Co. has promoted the car loss insurance of ChaBao Coordinative Guard System with "lose a car, get a new one" and "buy a car with rewards" since 2000. He received the insurance premium of up to \$100,000,000. The case was referred to the Prosecutor Office of Taichung District Court for investigation on December 25, 2007.

Table 2.28 Statistics of Cases Concerning Violation of Insurance Act over the Period of 2003 ~ 2007

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
2003	1	100.00%	0.00%	5	100.00%	400.00%	1,000,000,000	NA
2004	6	600.00%	500.00%	8	160.00%	60.00%	142,606,684	-85.74%
2005	3	300.00%	-50.00%	7	140.00%	-12.50%	30,480,000	-78.63%
2006	2	200.00%	-33.33%	15	300.00%	114.29%	1,198,324,708	3831.51%
2007	3	300.00%	50.00%	8	160.00%	-46.67%	106,602,011	-91.10%

Notes : 1. Relative to 2003 (100%)

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



O. Other cases that undermined economic order

(a) Statistics:

There were 17 cases of economic crime of other types referred to public prosecutors offices in 2007, a decrease of 26.09% compared to 23 cases in 2006. These cases involved 22 suspects, down 48.84% in comparison with 43 suspects in 2006. In terms of dollar amount involved, these cases totaled \$146,387,500, a decrease of 46.93% as compared to \$275,816,764 in 2006. (see Table 2.04, 2.05, 2.29 and Graph 2.27)

By the type of offense, these cases include:

1. Violation of Wildlife Conservation Act: 1 case
2. Violation of Company Law: 2 cases
3. Computer crimes: 6 cases
4. Others: 8 cases

(b) Significant cases:

1. Chong, **, the operator of Hong Kong D Col, aware that DAF sold by his company was not approved by Securities and Futures Bureau, Financial Supervisory Commission, sold the fund product in Taiwan and collected capital from Tseng, **, Lai, **, and others in 2004 and 2005. The case, involving a violation of Securities Investment Trust and Consulting Act, was referred to the Prosecutor Office of Taipei District Court for investigation on May 7, 2007.

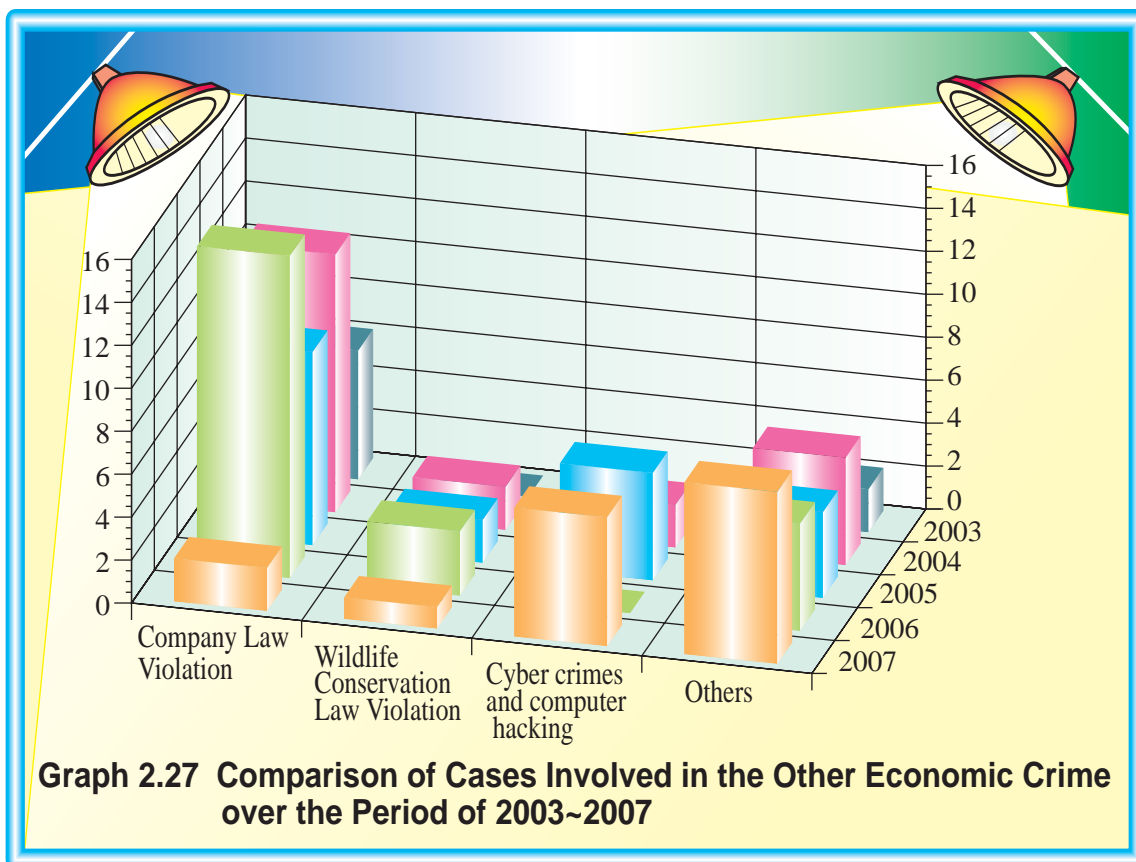
2. On December 29, 2006, a Taipei District Court judged that the debt right of 10 million dollars, owned by Former Chair Yeh, ** of Po * Tech. Co. and her husband Lin, **, shall be received by Securities and Futures Investor Protection Center. Lin, ** aware of the enforcement of the Center, consulted his lawyer Chiang, ** about transferring 2 real estate properties, shares of Chou * Investment Co., and deposit \$46,890,000 in Lin's name for Chiang, ** through a trust process before being enforced, and then used the money to purchase government bonds. The action damaged rights of debt owners of Po * Tech. Co., and was referred to the Prosecutor Office of Taipei District Court for investigation on July 10, 2007.
3. Lu, **, the operator of ** Immediate Money Line website, operated securities investment business without government approval from December of 2003 to January of 2007, and recruited members and received membership fees on the website. He provided operation analysis and suggestions for stocks of public-listing and OTC companies, and accumulated illegal profits of up to \$16,000,000. The case, involving violation of Securities Investment Trust and Consulting Act, was referred to the

Table 2.29 Statistics of Cases Involved in Other Economic Crimes over the Period of 2003 ~ 2007

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
2003	8	100.00%	-50.00%	13	100.00%	-80.60%	122,157	-90.20%	6	0	0	2
2004	21	262.50%	162.50%	194	1492.31%	1392.31%	5,061,115	4043.12%	12	2	2	5
2005	20	250.00%	-4.76%	113	869.23%	-41.75%	214,562	-95.76%	9	2	5	4
2006	23	287.50%	15.00%	43	330.77%	-61.95%	275,817	28.55%	15	3	0	5
2007	17	212.50%	-26.09%	22	169.23%	-48.84%	146,387	-46.93%	2	1	6	8

Notes : 1. Relative to 2003 (100%)

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



Prosecutor Office of Panciao District Court for investigation on December 4, 2007.

(ii) General Crimes

A Statistics:

There were 155 cases of general crime referred in 2007 that amounted to 13.97%, an increase in comparison with 136 cases in 2006. Suspects involved a total of 290 persons, down 25.06% as compared to 387 persons in 2006. Targets of these crimes totaled \$155,048,212 in dollar amount; down 70.79% as compared to \$530,786,378 in 2006. (see Table 2.04, 2.05, 2.30, and 2.31)

By offenses of the crime, the cases are broken down as follows:

- (a) Document forgery: 69 cases
- (b) Other cases: 86 cases, including violation of Pharmaceutical Affairs Act, Waste Disposal Act, Plant Protection and Quarantine Act, and Veterinary Drugs Control Act..... (See Table 2.04, 2.05, 2.30, and 2.31)

B. Significant cases:

- (a) Since 2002 Dai, **, the owner of Chi*ChiTai Trade Co. Ltd. has imported capsules of MaKonLi, TaiTanNau, and HoKong600, which were not approved by governments, had no clear gradients, and were mixed with some western medicine and caffeine. He sold a total of 202,300 capsules to Fe* Health Co. and Hsu, ** to make profits of up to

\$12,130,000. In October of 2005, he sold MaKaLin capsules containing the prohibited medicine, Yohimbe, to Cheng * Hsing Co. who then resold to Yi * Medicine Co. for repacking as FanHunBo pack. The profits he made accumulated \$15,200,000. The case, violating Pharmaceutical Affairs Act, was referred to the Prosecutor Office of Taipei District Court for investigation on June 4, 2007.

- (b) The couple Chen, * Jane, Chang, **, and Ou, ** organized a criminal group to sell fishing boat oil from August of 2006 to March of 2007, and cooperated with Chen, ** the owner of Yan*Tsai Boat and 4 other fishing boats to take advantage of governmental subsidy for fishing boat diesel. They applied to distribute A-class Fishing Boat Diesel in Chiho Fishing Boat Gasoline Station of CPC Corporate, Taiwan based on counterfeit fishing hours. The received oil was sold to Chen, *Jane Group who resold it to Lin, ** with gas tank trucks. The total gasoline sold accumulated 6,084,100 liters with illegal profits of up to \$48,672,800. The offense relating to illegally obtained property was referred to the Prosecutor Office of Kaohsiung District Court for investigation on August 24, 2007.
- (c) In November of 2006, Lin, ** infringed upon the regulations of Council of Agriculture, Executive Yuan to add the prohibited medicine Cleanbutero and

Table 2.30 Statistics of General Crime Cases Referred to Public Prosecutors Office in 2007

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	155	290	155,048,212	69	111	66,963,491	86	179	88,084,721
Jan.	16	29	36,436,551	7	15	35,379,778	9	14	1,056,773
Feb.	8	14	64,800	7	13	64,800	1	1	0
Mar.	12	19	4,144,466	3	3	4,144,466	9	16	0
Apr.	20	36	6,174,603	7	13	73,500	13	23	6,101,103
May	5	8	0	4	6	0	1	2	0
Jun.	16	23	15,444,000	7	12	144,000	9	11	15,300,000
Jul.	17	27	211,250	7	9	50,000	10	18	161,250
Aug.	11	51	51,602,000	5	11	0	6	40	51,602,000
Sep.	8	11	7,611,095	5	7	7,467,500	3	4	143,595
Oct.	16	32	12,830,000	8	10	0	8	22	12,830,000
Nov.	10	15	890,000	2	2	0	8	13	890,000
Dec.	16	25	0	7	10	19,639,447	9	15	0

Others 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
2003	112	100.00%	24.44%	397	100.00%	58.80%	179,117	-43.99%
2004	171	152.68%	52.68%	441	111.08%	11.08%	191,199	6.75%
2005	115	102.68%	-32.75%	330	83.12%	-25.17%	655,539	242.86%
2006	136	121.43%	18.26%	387	97.48%	17.27%	530,786	-19.03%
2007	155	138.39%	13.97%	290	73.05%	-25.06%	155,048	-70.79%

Table 2.31 (cont.)

Year	Forgery of Document		Others	
	No. of Cases	No. of Suspects	No. of Cases ³	No. of Suspects ³
2003	78	268	34	129
2004	129	333	42	108
2005	72	213	43	117
2006	61	155	75	232
2007	69	111	86	179

Notes : 1. Relative to 2003 (100%)

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

Ractopamine to livestock food for selling. The case violating the Veterinary Drugs Control Act had 265 kilograms of prohibited material and 1,335 kilograms of livestock food seized, and was referred to the Prosecutor Office of Changhwa District Court for investigation on October 1, 2007.

(iii) Tax evasion

A. Statistics:

Tax evasion cases referred in 2007 totaled 447, with an increase of 2.05% as compared to 438 cases in 2006. Total fine imposed amounted to \$798,704,840, down 55.19% as compared to \$1,782,482,391 in 2006. (See Table 2.04, 2.05, 2.32 and

Graph 2.28).

B. Significant cases:

- (a) Yong* Engineering Co. issued false invoices of up to \$83,349,812 for unspecific objects from May of 2002 to March of 2005, and acquired false invoices totaling \$108,261,812 as purchasing proof from March of 2001 to April of 2005, which was claimed as deductible input tax credit of \$5,413,094. The case was forwarded to the taxation institute in the municipality and the offenders were fined \$31,232,890 on May 1, 2007.
- (b) Shan * Steel Industrial Co. purchased materials without acquiring legal invoices totaling \$2,954,772,046 and reported the deductible input tax credit of \$147,738,609 from March 1, 2003 to

Table 2.32 Statistics of Tax Evasion Cases over the Period of 2003 ~ 2007

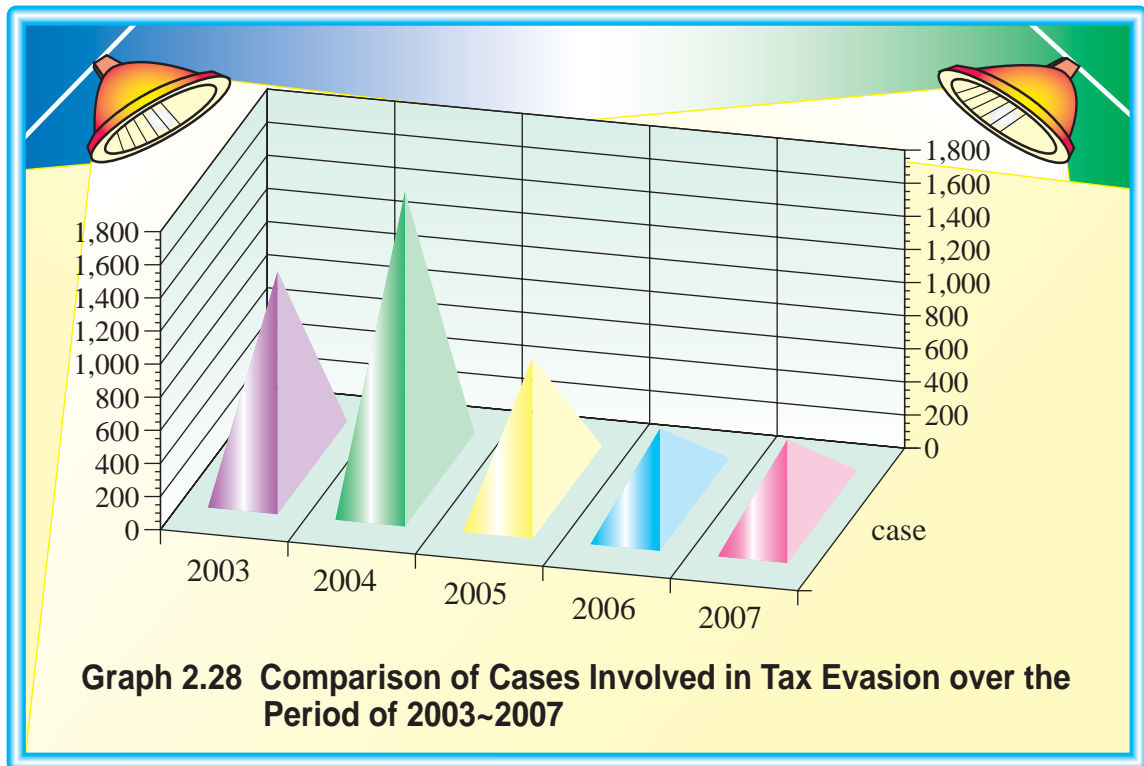
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Penalty Imposed (NT\$1,000)	Percent Change ²	Type of Tax Evasion	
						Business Tax	Stamp Tax
2003	1,167	100.00%	20.68%	3,191,262	-33.77%	720	47
2004	1,723	147.64%	47.64%	5,720,151	79.24%	1,292	12
2005	792	67.87%	-54.03%	2,318,446	-59.47%	522	0
2006	438	37.53%	-44.70%	1,782,482	-23.12%	332	2
2007	447	38.30%	2.05%	798,704	-55.19%	224	1

Notes : 1. Relative to 2003 (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
2003	2	1	0	5	331	61
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



Graph 2.28 Comparison of Cases Involved in Tax Evasion over the Period of 2003~2007

February 29, 2004. The case was forwarded to the taxation institute in the municipality and the offenders were fined \$189,062,589 on July 4, 2007.

- (c) Yi * Enterprise Co. sold recycled hardware of up to \$292,731,080 from January 1, 2004 to December 31, 2004 without issuing uniform invoices with the intent to evade sales tax of up to \$14,636,554. The case was forwarded to the taxation institute in the municipality and the offenders were fined \$43,909,600 on November 30, 2007.

IV. Tracking and Apprehension of Fugitives Abroad

(i) Statistics

The Bureau successfully tracked down 10 fugitives abroad involved in 10 cases in 2007. Both increased 11.11% as compared to 9 fugitives involved in 9 cases in 2006. Amongst, 7 fugitives, involved in 7 cases, were apprehended through extradition, and 3 fugitives, involved in 3 cases, turned themselves in under persuasion. (see Table 2.04, 2.05, 2.33 & 2.34 and Graph 2.29)

Table 2.33 Statistics of Fugitives Abroad Apprehended Cases in 2007, 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	6	0	0	0	0	0	2	0	3	1	
	Persuasion	2	0	0	0	0	0	2	0	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	1	0	0	0	0	0	0	0	0	1	
	Persuasion	1	0	0	0	0	0	1	0	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	7	0	0	0	0	0	2	0	3	2	
	Persuasion	3	0	0	0	0	0	3	0	0	0	

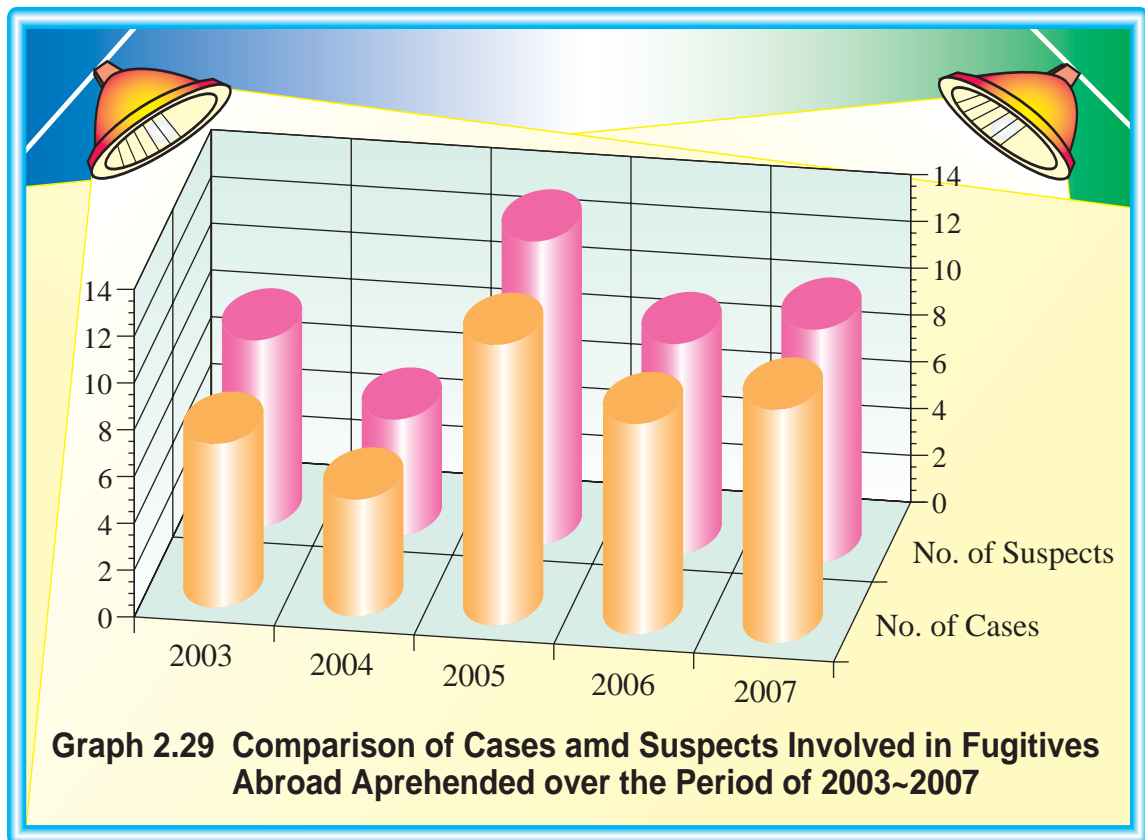
Table 2.34 Statistics of Fugitives Abroad Apprehended Cases over the Period of 2003 ~ 2007

Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2003	7	100.00%	-30.00%	8	100.00%	-27.27%
2004	5	71.43%	-28.57%	5	62.50%	-37.50%
2005	12	171.43%	140.00%	13	162.50%	160.00%
2006	9	128.57%	-25.00%	9	112.50%	-30.77%
2007	10	142.86%	11.11%	10	125.00%	11.11%

Notes : 1. Relative to 2003 (100%)

2. Percent Change = $[(\text{Current year} - \text{Previous year}) / \text{Previous year}] \times 100\%$

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



(ii) Significant cases**A. Apprehension through Extradition**

- (a) Wang, **, and Lu, **, involved in fraud to retrieve deposits totaling \$140,000,000 of the Employee Welfare Committee of Chunghwa Telecom Co. from May to August, 2005, were referred to the Prosecutor Office for investigation. However, Wang, ** fled to Macau during investigation and was apprehended through channels of the Arrest Warrant Team. Offices Macau counterpart helped to extradite Wang, **, and the Special Seizure Team turned him over the Prosecutor Office of Taipei District Court on February 8, 2007, after interrogation.
- (b) FanChan **, the operator of Taiwan Yun * Hsin Co. counterfeited lading bills of of Li* International Shipping Co. in July of 2002 and accordingly applied for LC and outward bill from China Trust Commercial Bank. However, he did not return the money afterwards, with the fraud amount of USD 620,000. FanChan** fled on April 4, 2003, and an arrest warrant was announced by the Prosecutor Office of Panciao District Court on January 30, 2004. On July 4, 2007, when FanChan ** entered Japan, the Bureau negotiated with Japanese officials and returned him to Taiwan by Air Nippon on July 5, 2007. He was sent to the Prosecutor Office of Panciao District Court after interrogation.
- (c) Chang, *, the Chair of Chen * Securities Co., providing proxy accounts and manipulating capitals in the Lei** Violating Securities & Exchange Act case, was referred to the Prosecutor Office of Taipei District Court for investigation on November 30, 1992, and was sentenced with 8-months in jail by the Supreme Court on February 24, 2005. Chang, * fled before the final judgement and was announced for an arrest warrant by the Prosecutor Office of Taipei District Court on August 12, 2005. On July 26, 2007 Chang, ** was arrested when entering Japan from ShangHai, and was agreed to be extradited by Japanese counterpart offices. Chang, * was returned to Taiwan on July 27, 2007, and sent to the Prosecutor Office after interrogation.
- (d) Since February, 1997 Chang, ** the chair of Shun*Yu Co. cooperated with Tseng, **, the former operator of Kong * Group to counterfeit buying land and announce the false news for raising stock prices. The case involving breach of trust and violation of Securities & Exchange Act was referred for investigation, and the offenders were sentenced with 1-year jail by Taichung Branch of Taiwan High Court on September 8, 2004. Before the final judgement, Chang, ** fled to Shanghai and thus an arrest warrant was announced by the Prosecutor Office on December 31, 2004. Chang, ** was

seized by the police of Macau when entering Macau from Shanghai on August 4, 2007, and was agreed to be extradited by Macau. On August 5, 2007, Chang, ** was returned to the Prosecutor Office of Taichung District Court after interrogation.

B. Surrender under Persuasion

(a) Liao, **, the former Yunlin Magistrate, involved in offenses of occupying, infringing freedom, bribery, and the Election and Recall Act of 1991 was referred to the Prosecutor Office of Yunlin District Court for investigation. He was sentenced to 2 years in jail by Tainan Branch of Taiwan High Court for the occupying offense, however, Liao, ** fled on May 28, 2002, before enforcement and an arrest warrant was announced by the Prosecutor Office of Yunlin District Court on September 30, 2002. The family of Liao, ** contacted Strait Exchange Foundation for surrender because of his acute myocardial infarction disease. Liao, ** agreed to take the SOS medical plane from Guangzhou at 3AM of February 19, 2007, by related institutes based on humanitarian concerns and assistance. Liao, **, after arriving, was escorted to the hospital affiliated with China Medical University for medical treatment and then turned over to the Prosecutor Office of Yunlin District Court.

(b) Tsai, **, the operator of Nan *

Transportation Co., involved in fraud, counterfeiting negotiable securities, and breach of trust, was referred to the Prosecutor Office of Tainan District Court for investigations respectively on June 23, 2003, August 27, 2003, and July 27, 2004. Tsai, ** left before the investigations and an arrest warrant had been announced by the Prosecutor Office of Tainan District Court since 2003. Tsai, ** was reported to be hiding in China in the middle of December, 2007, and the Arrest Warrant Team thus worked for relevant channels to persuade him to surrender, who agreed and returned from Beijing on December 25, 2007, and was then turned over to the Prosecutor Office of Tainan District Court after interrogation.

V. Broadening International Cooperation

(i) Participation in the International Conferences

A. The 4th International Conference on Asian Organized Crime and Terrorism was held from April 1 to 6, 2007, at the Hilton Hotel in Las Vegas, Nevada. The MJIB assigned senior investigator Ou Yang, Ming-Cheng to attend the conference, whose topics included credit card fraud, cyber crime, human trafficking, gang and organized crime, money laundering, wanted

criminals, and computer crime.

- B. The 25th International Symposium on Economic Crime was held from September 5 to 14, 2007, at Jesus College, Cambridge, England. Deputy Director General Tsai of MJIB led colleagues to participate in the meeting, whose theme was "The Risks Challenging National Wealth".
- C. The 114th International Association of Chiefs of Police Conference (IACP) was held from October 10 to 21, 2007, in New Orleans. Director General Yeh led colleagues to attend the conference. After the conference, the delegates visited the FBI, CIA, U.S. Immigration and Customs Enforcement (ICE) under United States Department of Homeland Security, and Drug Enforcement Administration to conduct communications about mutual cooperation on anti-information, narcotic, export control, arresting fugitives, conversation monitoring by computers, and enhancing international cooperation. Then, the delegates went to Central America to visit Drug Enforcement Administration of Dominica and Judicial Techniques Police Bureau and Police Agency of Panama, focusing on issues of cooperative channels. Director General Yeh was granted with National Distinguished Service Prize by the police institute of Panama. These visits not only promoted international cooperation between the Bureau and other international institutes, but also enhanced international communications among chiefs of police institutes, which would be extremely

positive to diminish cross-country crimes and regional anti-terrorism affairs.

- D. Australian Federal Police held International Policing toward 2020 Conference in Canberra on November 19, 2007, and Deputy General Director Wu led colleagues to attend. After the conference, the delegates met Mr. John Herron Chairman, Australian National Council on Drugs in Brisbane to discuss cooperative measures on drug enforcement. In addition, they visited Australian Federal Police Commissioner Mick Keelty to deliver the invitation letter from Director General Yeh and conducted a discussion with the Assistant Commissioner Mr. Peter Drennan about anti-terrorism, human trafficking, anti-money laundry, arresting overseas fugitives, and personnel training.

(ii) Mutual legal assistance

- A. The Bureau provided the topic about Taiwan-Japan mutual legal assistance on cooperative investigation of major economic crimes to Ministry of Foreign Affairs on June 20, 2007, in order to request Japan to assist setting up the bilateral legal dialogue mechanism.
- B. The Ministry of Justice conducted the meeting about steering the Agreement on Taiwan-Vietnam Mutual Legal Assistance on August 9, 2007. Director Li of Economic Crime Prevention Center and Director Chiang of Foreign Affairs Section attended to provide some references to the

Ministry of Foreign Affairs in facilitating future bilateral cooperation plan and exchange.

- C. On August 13, 2007 the Police Office in Ha Tay of Vietnam requested assistance through the Ministry of Foreign Affairs about investigation of Taiwanese Wang, ** who was involved in frauds and illegally assisted Vietnamese going abroad.

(iii) Exchange of information and visits

- A. Mr. Nelson Low, the legal agent of the Hong Kong Office of the US FBI visited on February 13, 2007 to promote the bilateral legal cooperation and mutual visits of high-level officers.
- B. Mr. Paul Quick, the special agent of the Hawaii Office of US Secret Service visited on March 21 and June 13, 2007, to exchange information about investigating counterfeit US bills.
- C. Mr. Michael Mason, the Executive Assistant Director for Criminal Investigations of the US FBI was invited to the Bureau from April 26 to 27, 2007, and meet Director General Yeh of the Bureau. The level of FBI officials visiting Taiwan has been promoted in recent years, which will be positive to mutual connections. Mr. Mason working in criminal investigations exchanged some information and concepts about mutual visits of high-level officials, cooperation on cross-country crime investigation, and signing the cooperative memorandum with officials of the Bureau.
- D. Mr. Albert Jaoquin, the Director of Hawaii Office of US Secret Service visited Director General Yeh on May 3, 2007, to exchange some ideas about computer crimes and cooperative investigation of counterfeit US bills.
- E. Mr. Sunai Manomaiudom, the director-general of the Department of Special Investigation (DSI), Thai Justice Ministry led his wife and 3 other companions to visit Director General Yeh on May 7, 2007, who listened to work presentation, came to the anti-drug exhibition hall and scientific research center, and exchanged working experiences, and expected to enhance cooperation and mutual communication with the Bureau for diminishing cross-country crimes.
- F. The 24-member delegation led by Mr. Bayansan Davgasyndel, the Director of the Chief Prosecutor Office of the Capital, Mongolia visited the Bureau on May 18, 2007, and exchanged ideas about the relationship between prosecutor and investigators and international criminal police cooperation with officials of the Bureau.
- G. Mr. Yamazaki Hiroto, the Director of Foreign Information, Japan National Police Agency visited Director General Yeh on May 24, 2007, to exchange some ideas about anti-terrorism, export control, computer crimes, and cooperative measures to diminish cross-country crimes.
- H. Mr. KL Wong, the official of the Hong Kong Office, U.S. Immigration and

Customs Enforcement (ICE) visited on August 28, 2007, and communicated with colleagues from the Economic Crime Prevention Center, the Foreign Affairs Office, and the Northern Mobile Unit about investigating and seizing Lin, **, a suspect involved in Chong * King insider trading.

- I. Mr. Ronald Moon, the Chief Justice of the Hawaii State Supreme Court in Honolulu, Hawaii leading the 4-member delegation to call on the Bureau on October 12, 2007, and communicated about the organization of the Bureau and cooperative measures on cross-country crime investigation with the officials of the Bureau.
- J. Mr. Anil Gogna, the HMRC Investigator of Custom House, Britain visited on October 16, 2007, and exchanged ideas about cooperation and communication in investigations in the future with officials of the Bureau.
- K. Mr. Alfredo S. Lim, City Mayor of Manila, Philippines led an 8-member delegation to call on Director General Yeh on October 22, 2007, and discussed cooperative measures on narcotic seizing and overseas economic criminal fugitives.
- L. Ms. Helen Alvin, the international affairs official of Legal Services, European Union Executive Commission visited on November 22, 2007, and exchanged ideas with colleagues from the Third Department, the Department of Anti-corruption, and Economic Crime Prevention Center about anti-terrorism, anti-corruption, cooperative seizing of

economic criminals, stock market insider trading, and the relationship between the Bureau and EU.

- M. Mr. Donald Shruhan, Jr, the Senior Regional Director for Global Security, Pfizer Inc. led the 6-member delegation to visit on November 26, 2007, to express appreciations to the Bureau for taking efforts on investigation of intellectual right infringement, such as their patent medicine Viagra and Norvasc, and to deliver their appreciation letter and memorial prize cup. Director General Yeh led colleagues to receive and promised to enhance pragmatic coordination on investigation of cross-country crimes and information exchange and to promote international cooperation.
- N. Mr. Louis Garthe, the deputy director of Hong Kong Office, U.S. Immigration and Customs Enforcement (ICE), called on Director General Yeh on December 12, 2007 and conducted working dialogues to exchange ideas with colleagues from the Economic Crime Prevention Center and the Third Department about seizing overseas economic criminal fugitives, human trafficking, and high-tech product control.

(iv) International training

- A. From July 17 to July 25, 2007, The Bureau conducted the 2007 Symposium for Identifying Counterfeit US Bills in the Bureau Building and South-region Bank Employee Training Center where participants from the prosecutors offices,

police institutions, investigation units, National Security Bureau, Maritime Patrol Agency, National Immigration Agency, Customs, Military Police, and bank staffs, totaling more than 700, took part in courses delivered by official lecturers from US Secret Service, the Sixth Department of the Bureau, and the Economic Crime Prevention Center.

- B. Director Li of the Economic Crime Prevention Center conducted his special working report about mission, mutual cooperation to diminish cross-country crimes, and international cooperation promotion of the Bureau for 18 middle and high level officials and legal secretaries from Vietnam, Thailand, Philippines, and Cambodia in The 2007 Training Session for Cross-Country Crime Investigation on November 5, 2007.

Part Three

Crime Situation and Character Analysis





I. Economic Crime Cases

There were 796 economic crime cases referred to the prosecutors' offices in 2007, with an increase of 2.98% as compared to 773 cases in 2006; these cases involved 3,825 suspects, up 30.37% as compared to 2,934 suspects in 2006. (see Table 3.01)

A statistical analysis by the offenses of the crime, gender, age, and education level of the suspects, as well as sources of cases, reasons for the crime, and areas of crime is depicted as follows:

(i) Crime Situation

Comparison of the various types of economic crime cases referred in 2007 with that of 2006 (see Table 3.01):

- A. Fraud: 273 cases, up 26.98% as compared to 215 cases in 2006; 1,206 suspects involved, up 69.38% as compared to 712 suspects in 2006.
- B. Embezzlement: 76 cases, decreasing 10.59% as compared to 85 cases in 2006; 153 suspects involved, down 7.27% as compared to 165 persons in 2006.
- C. Breach of trust: 43 cases, up 4.88% as compared to 41 cases in 2006; 266 suspects involved, up 98.51% as compared to 134 persons in 2006.
- D. Usury: 18 cases, down 41.94% as compared to 31 cases in 2006; 66 suspects involved, down 25% as compared to 88 persons in 2006.
- E. Smuggling: 22 cases, down 33.33% as compared to 33 cases in 2006; 33 suspects involved, down 5.71% as compared to 35 persons in 2006.
- F. Violation of Tax Collection Act: 91 cases, up 18.18% as compared to 77 cases in 2006; 1,343 suspects involved, up 45.03% as compared to 926 persons in 2006.
- G. Counterfeiting or alteration of currency or negotiable securities: 3 cases, down 75% as compared to 12 cases in 2006; 8 suspects involved, down 66.67% as compared to 24 persons in 2006.
- H. Violation of Tobacco and Alcohol Administration Act: Given that such crimes have been decriminalized, the Bureau referred to only 1 case involving 1 suspect.
- I. Violation of Banking Act: 48 cases, up 14.29%, as compared to 42 cases in 2006; 151 suspects involved, decreasing 36.55% as compared to 238 persons in 2006.
- J. Infringement of intellectual property rights: 116 cases, down 1.69% as compared to 118 cases in 2006; 160 suspects involved, down 11.11% as compared to 180 persons in 2006.
- K. Violation of Securities & Exchange Act: 67 cases, down 10.67% as compared to 75 cases in 2006; 344 suspects involved, up 12.79% as compared to 305 persons in 2006.
- L. Violation of Futures Trading Law: 18 cases, the same as that in 2006; 64 suspects involved, down 4.48% as compared to 67 persons in 2006.
- M. Violation of Insurance Act: 3 cases, up 50% as compared to 2 cases in 2006; 8

Table 3.01 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2006 and 2007

Types of Offenses		Year		No. of Cases			No. of Suspects		
		2007	2006	Percent Change	2007	2006	Percent Change		
I. Economic Crimes	Total	796	773	2.98%	3,825	2,934	30.37%		
	Subtotal	273	215	26.98%	1,206	712	69.38%		
	Fraud								
	Fraudulent loan	22	13	69.23%	104	46	126.09%		
	Fraud in international trade	3	2	50.00%	5	6	-16.67%		
	Fraudulent insolvency	7	5	40.00%	12	9	33.33%		
	Fraudulent closure of private loan association	6	7	-14.29%	6	7	-14.29%		
	Fraudulent real estate transaction	8	2	300.00%	33	5	560.00%		
	Fraudulent negotiable instrument	9	9	0.00%	213	21	914.29%		
	Fraudulent investment	17	20	-15.00%	36	39	-7.69%		
	Credit card fraud	0	2	-100.00%	0	5	-100.00%		
	Advertisement fraud	2	0	NA	5	0	NA		
	Fraudulent tax refund	0	0	NA	0	0	NA		
	Insurance fraud	24	4	500.00%	90	20	350.00%		
	Cyber fraud	5	4	25.00%	6	6	0.00%		
	Hospitalization fraud	22	25	-12.00%	77	92	-16.30%		
	New type of group fraud	55	31	77.42%	274	83	230.12%		
	Others	93	91	2.20%	345	373	-7.51%		
		Subtotal	76	85	-10.59%	153	165	-7.27%	
	Embezzlement								
	General embezzlement	11	11	0.00%	31	14	121.43%		
	Embezzlement by public employees	4	12	-66.67%	7	24	-70.83%		
	Embezzlement by employees of private enterprise	61	62	-1.61%	115	127	-9.45%		
Breach of trust	43	41	4.88%	266	134	98.51%			
Usury	18	31	-41.94%	66	88	-25.00%			
Smuggling	22	33	-33.33%	33	35	-5.71%			
Violation of Tax Collection Act	91	77	18.18%	1,343	926	45.03%			
	Subtotal	3	12	-75.00%	8	24	-66.67%		
Counterfeit									
Counterfeit of national Currency	0	1	-100.00%	0	1	-100.00%			
Alternation of securities	3	11	-72.73%	8	23	-65.22%			
Violation of Tobacco and Alcohol Administration Act	1	0	NA	1	0	NA			

Table 3.01 (cont.)

	Violation of Banking Act	Subtotal	48	42	14.29%	151	238	-36.55%
		Illegal absorption of funds	11	12	-8.33%	29	107	-72.90%
		Unauthorized operation of remittance & acceptance and others	37	30	23.33%	122	131	-6.87%
	Infringement of Intellectual Property Rights	Subtotal	116	118	-1.69%	160	180	-11.11%
		Infringement of Trademark Act	86	68	26.47%	118	115	2.61%
	Violation of Securities & Exchange Act	Violation of Copyright Act	30	50	-40.00%	42	65	-35.38%
		Others	0	0	NA	0	0	NA
	Violation of Fair Trade Act	67	75	-10.67%	344	305	12.79%	
	Violation of Futures Trading Law	0	1	-100.00%	0	2	-100.00%	
	Violation of Insurance Act	18	18	0.00%	64	67	-4.48%	
	Other offenses undermining economic order	Violation of Insurance Act	3	2	50.00%	8	15	-46.67%
		Subtotal	17	23	-26.09%	22	43	-48.84%
		Violation of Wildlife Conservation Act	1	3	-66.67%	1	3	-66.67%
		Violation of Company Law	2	15	-86.67%	3	31	-90.32%
		Cyber crimes and computer hacking	6	0	NA	7	0	NA
II. General Crimes	Others	8	5	60.00%	11	9	22.22%	
	Subtotal	155	136	13.97%	290	387	-25.06%	
	Forgery of document	69	61	13.11%	111	155	-28.39%	
III. Tax Evasion	Other general crimes	86	75	14.67%	179	232	-22.84%	
	Subtotal	447	438	2.05%	0	0	NA	
IV. Tracking and apprehension of fugitives abroad	Subtotal	10	9	11.11%	10	9	11.11%	
	Tracking and apprehension	7	6	16.67%	7	6	16.67%	
	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	Subtotal	0	1	-100.00%	0	0	NA	
	Investigation of transnational crimes	0	0	NA	0	0	NA	
	Execution of the Agreement on Criminal Justice Cooperation	0	1	-100.00%	0	0	NA	
Total		1,408	1,357	3.76%	4,125	3,330	23.87%	

suspects involved, down 46.67% as compared to 15 persons in 2006.

N. Other cases that undermined of economic crime that disrupts economic order: 17 cases, down 26.09% as compared to 23 cases in 2006; 22 suspects involved, down 48.84% as compared to 43 persons in 2006.

(ii) Character Analysis

A. Gender

In 2007, there were 3,825 persons involved in economic crimes investigated by the Bureau which represented an increase of 30.37% as compared to 2,934 persons in 2006, of which 1,343 suspects or 35.11% were associated with Tax Collection Act violation cases. The highest percentage of all offenses, followed by 1,206 suspects or 31.53% involved in fraud cases, and 344 suspects or 8.99% involved Securities & Exchange Act violation and 266 suspects or 6.95% involved Breach of Trust violation. (See Table 3.02)

Of these suspects, 2,764 were male, accounting for 72.26% of the total and representing an increase of 25.81% as compared to 2,197 persons in 2006; 1,061 were female, accounting for 27.74% and up 43.96% as compared to 737 persons in 2006. The five-year average of suspects by gender was 75.37% male and 24.63% female. (See Table 3.02 and 3.03, and Graph 3.01, 3.02, and 3.03)

In terms of types of offenses, the highest percentage of female suspects was seen in other cases that undermined economic order

with 8 persons involved and accounting for 36.36% of all suspects associated with the type of crime; followed by violation of Futures Trading Law with 22 persons or 34.38%, embezzlement cases with 52 persons or 33.99%, and violation of Banking Act with 51 persons or 33.77%. (see Table 3.02)

B. Age

By age, economic crime suspects in 2007 had the highest number in the 40-49 age group with 1,228 persons or 32.10% of the total offenders, followed by 30-39 age group with 1,012 persons or 26.46%, and 50-59 age group with 632 persons or 16.52%. By the statistics in the past five years, it could be seen that economic criminals concentrated in the age groups of 30-59 (see Table 3.04 & 3.05 and Graph 3.04&3.05)

Table 3.02 Statistics of Suspects Committing Economic Crimes in 2006 and 2007, by Gender

Gender Type of Offenses	2007					2006				Percent Change= [(2007 total-2006 total)/2006 total]	Percent Change of Male Suspects = (2007Male - 2006Male)/ 2006 Male]	Percent Change of Female Suspects = [(2007 Female - 2006 Female)/ 2006Female]
	Total	Male	Female	%	Female participated %	Total	Male	Female	%			
Total	3,825	2,764	1,061	100.00%	27.74%	2,934	2,197	737	100.00%	30.37%	25.81%	43.96%
Fraud	1,206	871	335	31.53%	27.78%	712	517	195	24.27%	69.38%	68.47%	71.79%
Embezzlement	153	101	52	4.00%	33.99%	165	103	62	5.62%	-7.27%	-1.94%	-16.13%
Breach of trust	266	208	58	6.95%	21.80%	134	105	29	4.57%	98.51%	98.10%	100.00%
Usury	66	60	6	1.73%	9.09%	88	77	11	3.00%	-25.00%	-22.08%	-45.45%
Smuggling	33	28	5	0.86%	15.15%	35	29	6	1.19%	-5.71%	-3.45%	-16.67%
Violation of Tax Collection Act	1,343	944	399	35.11%	29.71%	926	710	216	31.56%	45.03%	32.96%	84.72%
Counterfeit or Alteration of Currency and Negotiable Securities	8	7	1	0.21%	12.50%	24	18	6	0.82%	-66.67%	-61.11%	-83.33%
Violation of Tobacco and Alcohol Administration Act	1	1	0	0.03%	NA	0	0	0	0.00%	NA	NA	NA
Violation of Banking Act	151	100	51	3.95%	33.77%	238	163	75	8.11%	-36.55%	-38.65%	-32.00%
Infringement of Intellectual Property Rights	160	129	31	4.18%	19.38%	180	145	35	6.13%	-11.11%	-11.03%	-11.43%
Violation of Securities & Exchange Act	344	252	92	8.99%	26.74%	305	243	62	10.40%	12.79%	3.70%	48.39%
Violation of Fair Trade Act	0	0	0	0.00%	NA	2	2	0	0.07%	-100.00%	-100.00%	NA
Violation of Futures Trading Law	64	42	22	1.67%	34.38%	67	48	19	2.28%	-4.48%	-12.50%	15.79%
Violation of Insurance Act	8	7	1	0.21%	12.50%	15	3	12	0.51%	-46.67%	133.33%	91.67%
Other Offenses Undermining Economic Order	22	14	8	0.58%	36.36%	43	34	9	1.47%	-48.84%	-58.82%	-11.11%

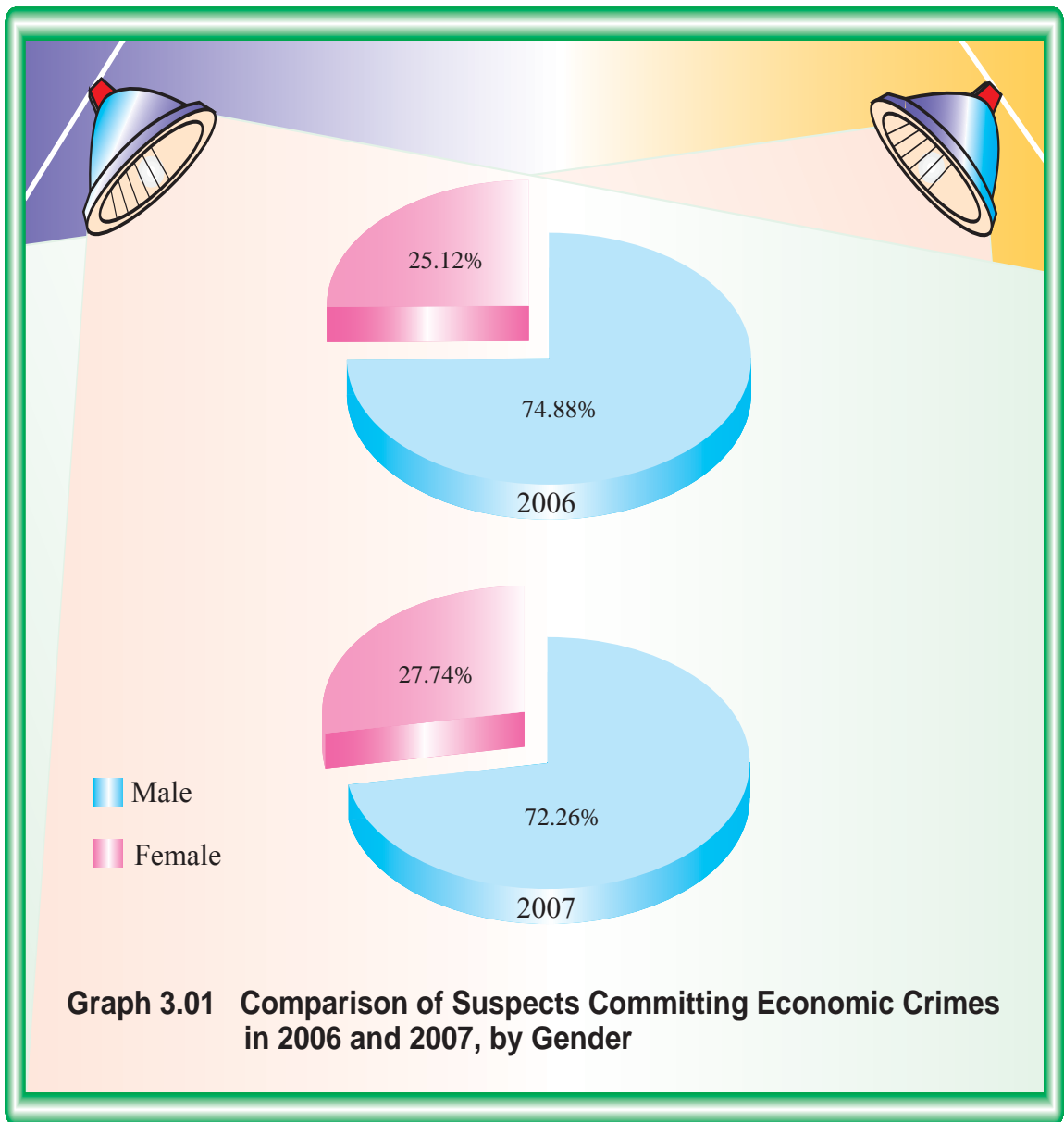
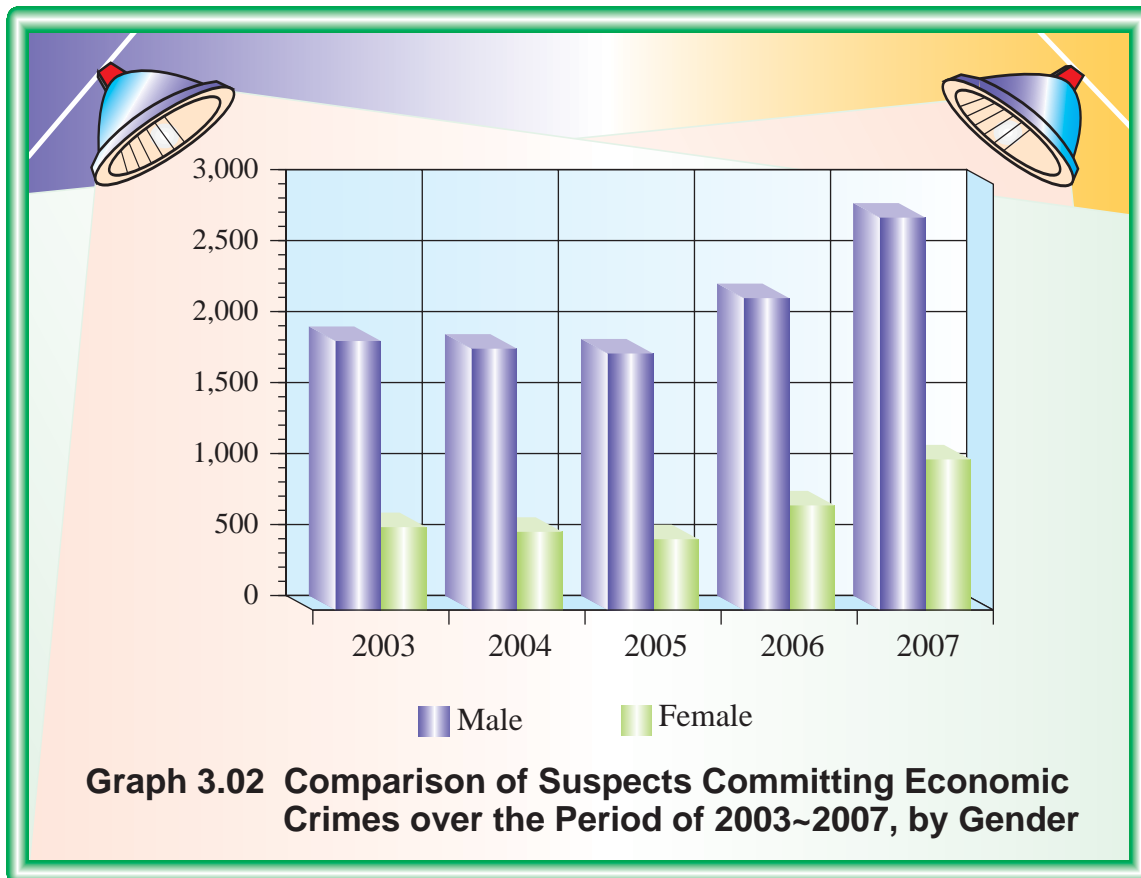


Table 3.03 Statistics of Suspects Committing Economic Crimes over the Period of 2003~2007, by Gender

Year	Total		Male		Female	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	13,936		10,504	75.37%	3,432	24.63%
2003	2,479		1,895	76.44%	584	23.56%
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%



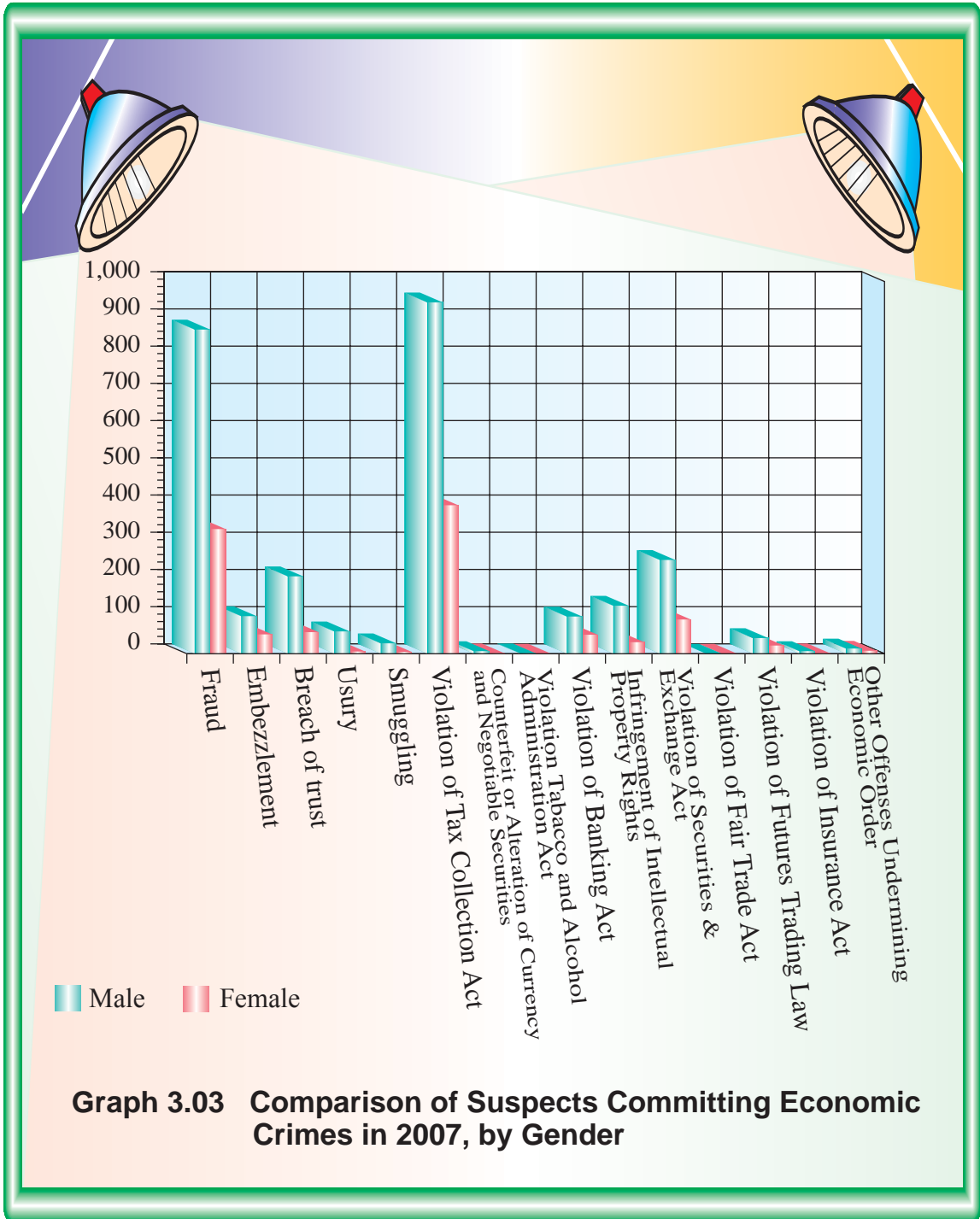


Table 3.04 Statistics of Suspects Committing Economic Crimes in 2006 and 2007, by Age

Type of Offenses	Age		Under 18		18-19		20-29		30-39		40-49	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	3,825	2,934	4	6	26	7	484	316	1,012	800	1,228	1,035
Fraud	1,206	712	3	6	23	5	234	112	318	196	370	207
Embezzlement	153	165	0	0	0	0	6	9	37	35	57	57
Breach of trust	266	134	0	0	0	0	7	3	41	25	69	46
Usury	66	88	0	0	0	0	29	24	24	41	9	15
Smuggling	33	35	0	0	0	0	0	1	10	10	10	11
Violation of Tax Collection Act	1,343	926	0	0	0	0	123	64	366	239	456	404
Counterfeit or Alteration of Currency and Negotiable Securities	8	24	0	0	0	0	1	2	4	5	1	12
Violation of Tobacco and Alcohol Administration Act	1	0	0	0	0	0	0	0	0	0	1	0
Violation of Banking Act	151	238	0	0	0	0	15	34	44	69	60	75
Infringement of Intellectual Property Rights	160	180	1	0	2	1	28	31	45	63	54	56
Violation of Securities & Exchange Act	344	305	0	0	1	0	26	15	84	74	113	110
Violation of Fair Trade Act	0	2	0	0	0	0	0	0	0	0	0	1
Violation of Futures Trading Law	64	67	0	0	0	1	11	13	26	23	19	21
Violation of Insurance Act	8	15	0	0	0	0	2	0	4	2	1	11
Other Offenses Undermining Economic Order	22	43	0	0	0	0	2	8	9	18	8	9

Table 3.04 (cont.)

Type of Offenses \ Age	50-59		60-69		70-79		Over 80		Unknown	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	632	557	175	137	53	34	13	20	198	22
Fraud	186	124	45	44	17	10	4	3	6	5
Embezzlement	32	43	11	12	8	5	2	3	0	1
Breach of trust	67	34	42	18	14	5	4	2	22	1
Usury	3	7	1	1	0	0	0	0	0	0
Smuggling	10	8	2	5	1	0	0	0	0	0
Violation of Tax Collection Act	190	179	45	33	5	5	1	1	157	1
Counterfeit or Alteration of Currency and Negotiable Securities	2	5	0	0	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0
Violation of Banking Act	20	43	10	7	1	3	1	2	0	5
Infringement of Intellectual Property Rights	24	22	5	5	1	0	0	1	0	1
Violation of Securities & Exchange Act	89	76	12	12	6	5	1	6	12	7
Violation of Fair Trade Act	0	1	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	8	9	0	0	0	0	0	0	0	0
Violation of Insurance Act	0	2	1	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	1	4	1	0	0	1	0	2	1	1

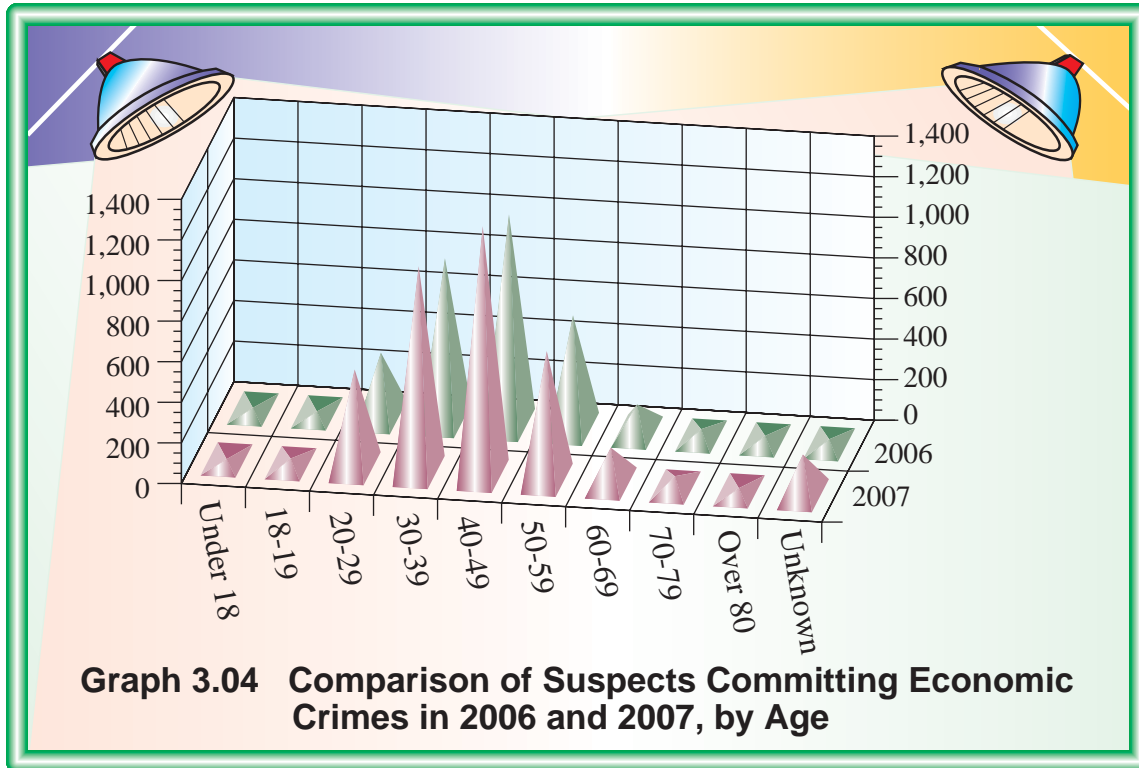
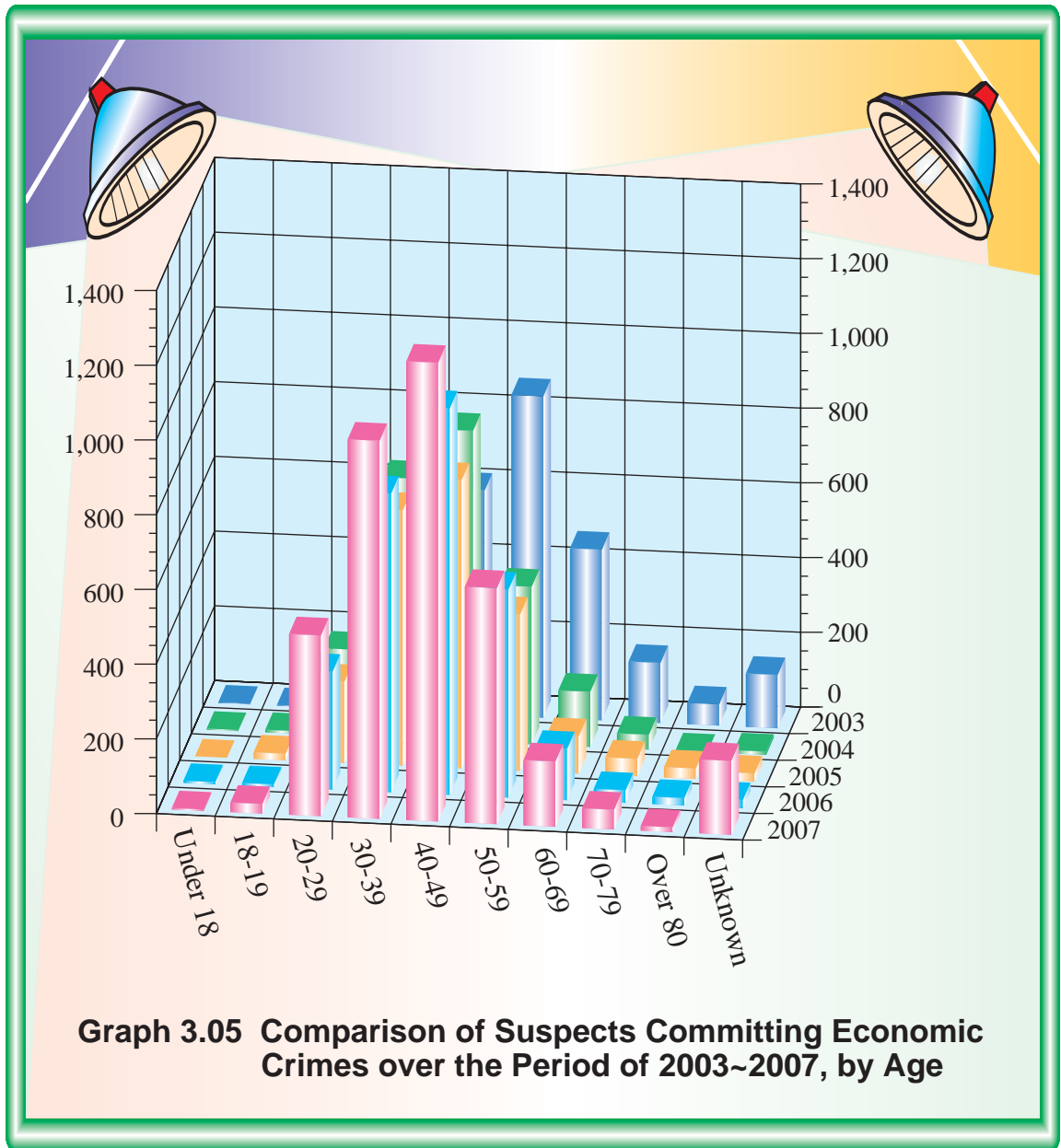


Table 3.05 Statistics of Suspects Committing Economic Crimes over the Period of 2003~2007, by Age

Age \ Year	2003		2004		2005		2006		2007	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	2,479	100%	2,392	100%	2,306	100%	2,934	100%	3,825	100%
Under 18	2	0.08%	3	0.13%	0	0.00%	6	0.20%	4	0.10%
18-19	2	0.08%	7	0.29%	18	0.78%	7	0.24%	26	0.68%
20-29	39	1.57%	232	9.70%	217	9.41%	316	10.77%	484	12.65%
30-39	157	6.33%	697	29.14%	684	29.66%	800	27.27%	1,012	26.46%
40-49	601	24.24%	832	34.78%	771	33.43%	1,035	35.28%	1,228	32.10%
50-59	860	34.69%	422	17.64%	419	18.17%	557	18.98%	632	16.52%
60-69	457	18.43%	148	6.19%	100	4.34%	137	4.67%	175	4.58%
70-79	161	6.49%	40	1.67%	47	2.04%	34	1.16%	53	1.39%
Over 80	57	2.30%	2	0.08%	28	1.21%	20	0.68%	13	0.34%
Unknown	143	5.77%	9	0.38%	22	0.95%	22	0.75%	198	5.18%



C. Education Level

By educational background, economic crime suspects in 2007 had the highest number with college education or higher. There were 1,753 persons in that category or 45.83% of the total offenders, followed by 1,271 persons or 33.23% with senior high school (vocational) education; 459 persons or 12.00% with junior high school education; 300 persons or 7.84% with elementary school or lower education; and 42 persons or 1.10% with unknown educational background.(see Table 3.06 & 3.07 and Graph 3.06)

In terms of average in the past five years, the group of suspects with college education or higher accounted for the highest percentage with 36.85%, followed in sequence by 31.87% with senior high school (vocational) education, 18.05% with elementary school or lower education, and 11.92% with junior high school.(see Table 3.07 and Graph 3.07)

D. Sources of cases

In 2007, 328 cases or 41.21% of the total 796 cases were initiated by the Bureau. A breakdown of these cases is presented as follows: 11 usury cases, accounting for 61.11% of the total 18 such cases; 67 intellectual property rights infringement cases, accounting for 57.76% of the total 116 such cases; 34 Securities & Exchange Act violation cases, accounting for 50.75% of the total 67 such cases; 8 cases involving Other cases that undermined economic order, accounting for 47.06% of the total 17 such cases; 126 fraud cases, accounting to 46.15% of the total 273

cases; 21 Banking Act violation cases, accounting for 43.75% of the total 48 cases; 30 embezzlement cases, accounting for 39.47% of the total 76 cases; 1 Insurance Act violation case, accounting for 33.33% of the total 3 cases; 8 cases for breach of trust, accounting for 18.60% of the total 43 cases; 4 smuggling cases, accounting for 18.18% of the total 22 cases; 16 Tax Collection Act violation cases, accounting for 17.58% of the total 91 cases; 2 Futures Trading Law violation cases, accounting for 11.11% of the total 18 cases (see Table 3.08 and Graph 3.08)

The other cases were in sequence reported by informants with 165 cases or 20.73%; directed by prosecutors with 156 cases or 19.06%; referred by related governing organization with 141 cases or 17.71%; or handed down by the superior office with 6 cases or 0.75%.

In 2007, only cases reported by informants, handed down by the superior office, and directed by prosecutors showed an increasing trend, while cases from other sources decreased slightly.

Statistics of sources of cases in the past five years shows that 1,553 cases were initiated by the Bureau, accounting for 41.41% of the total 3,750 cases, followed by 792 cases or 21.12% reported by informants, and 749 cases or 19.97% referred by related governing organization, indicating that actions initiated by the Bureau provided the primary source for cases. (see Table 3.09 and Graph 3.09)

Table 3.06 Statistics of Suspects Committing Economic Crimes in 2006 and 2007, by Educational Level

Level of Education Offenses	Total		Elementary and Below		Junior High School		Senior High School		College and Above		Unknown	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	3,825	2,934	300	250	459	375	1,271	1,067	1,753	1,197	42	45
Fraud	1,206	712	101	195	197	65	422	230	478	219	8	3
Embezzlement	153	165	8	18	12	8	48	52	84	85	1	2
Breach of trust	266	134	23	0	9	7	58	41	173	84	3	2
Usury	66	88	1	0	10	20	33	48	22	18	0	2
Smuggling	33	35	7	3	5	6	19	17	2	9	0	0
Violation of Tax Collection Act	1,343	926	134	4	174	211	464	375	544	321	27	15
Counterfeit or Alteration of Currency and Negotiable Securities	8	24	0	4	2	1	4	13	2	4	0	2
Violation of Tobacco and Alcohol Administration Act	1	0	0	0	0	0	0	0	1	0	0	0
Violation of Banking Act	151	238	7	0	10	12	61	91	73	132	0	3
Infringement of Intellectual Property Rights	160	180	12	24	21	23	66	71	59	59	2	3
Violation of Securities & Exchange Act	344	305	4	2	11	11	61	72	267	219	1	1
Violation of Fair Trade Act	0	2	0	0	0	0	0	0	0	2	0	0
Violation of Futures Trading Law	64	67	2	0	8	6	21	32	33	28	0	1
Violation of Insurance Act	8	15	1	0	0	0	6	10	1	5	0	0
Other Offenses Undermining Economic Order	22	43	0	0	0	5	8	15	14	12	0	11

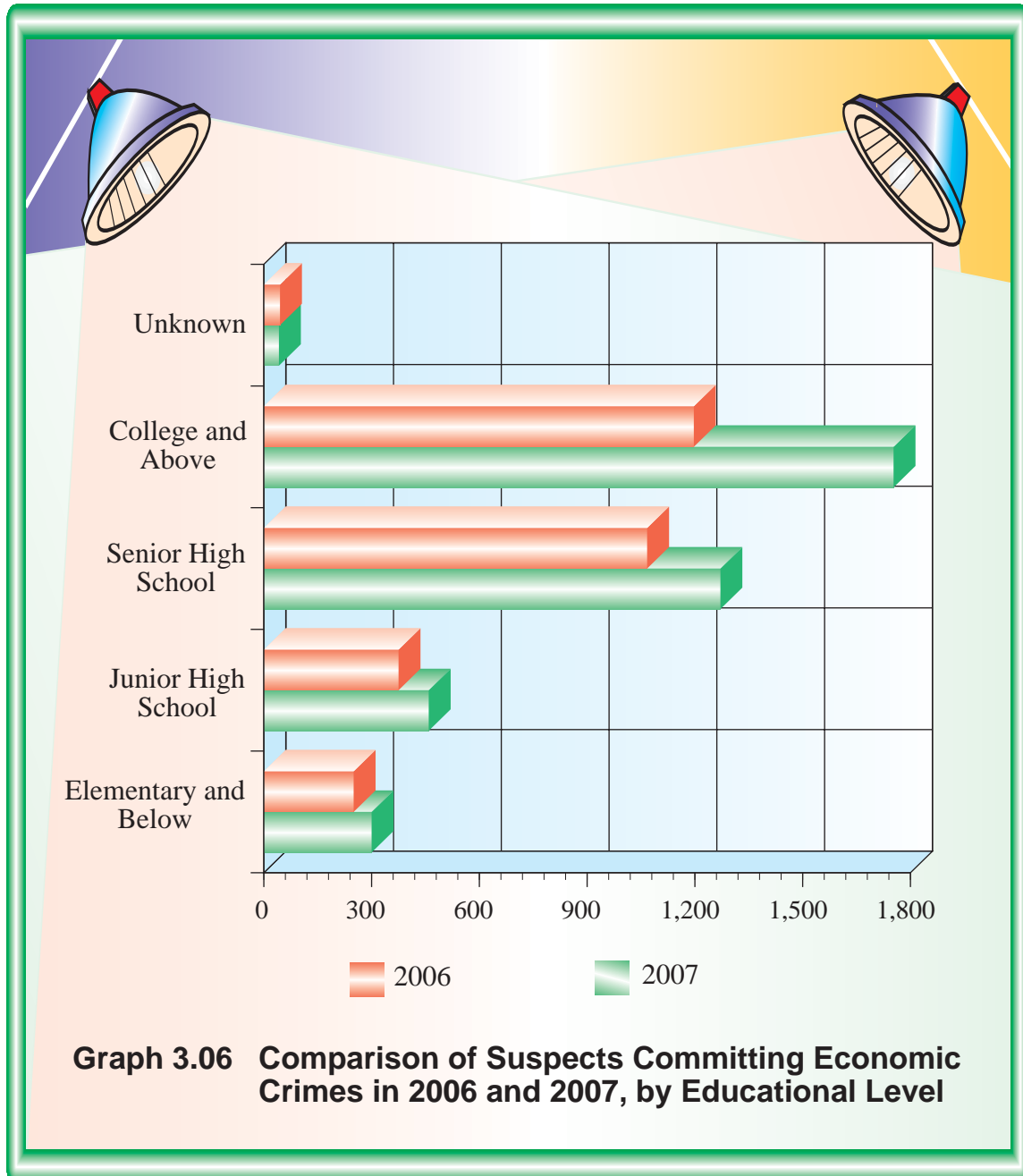


Table 3.07 Statistics of Suspects Committing Economic Crimes over the Period of 2003~2007, by Educational Level

Level of Educational 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	13,936	100%	2,515	18.05%	1,661	11.92%	4,442	31.87%	5,135	36.85%	183	1.31%
2003	2,479	100%	828	33.40%	227	9.16%	684	27.59%	717	28.92%	23	0.93%
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%

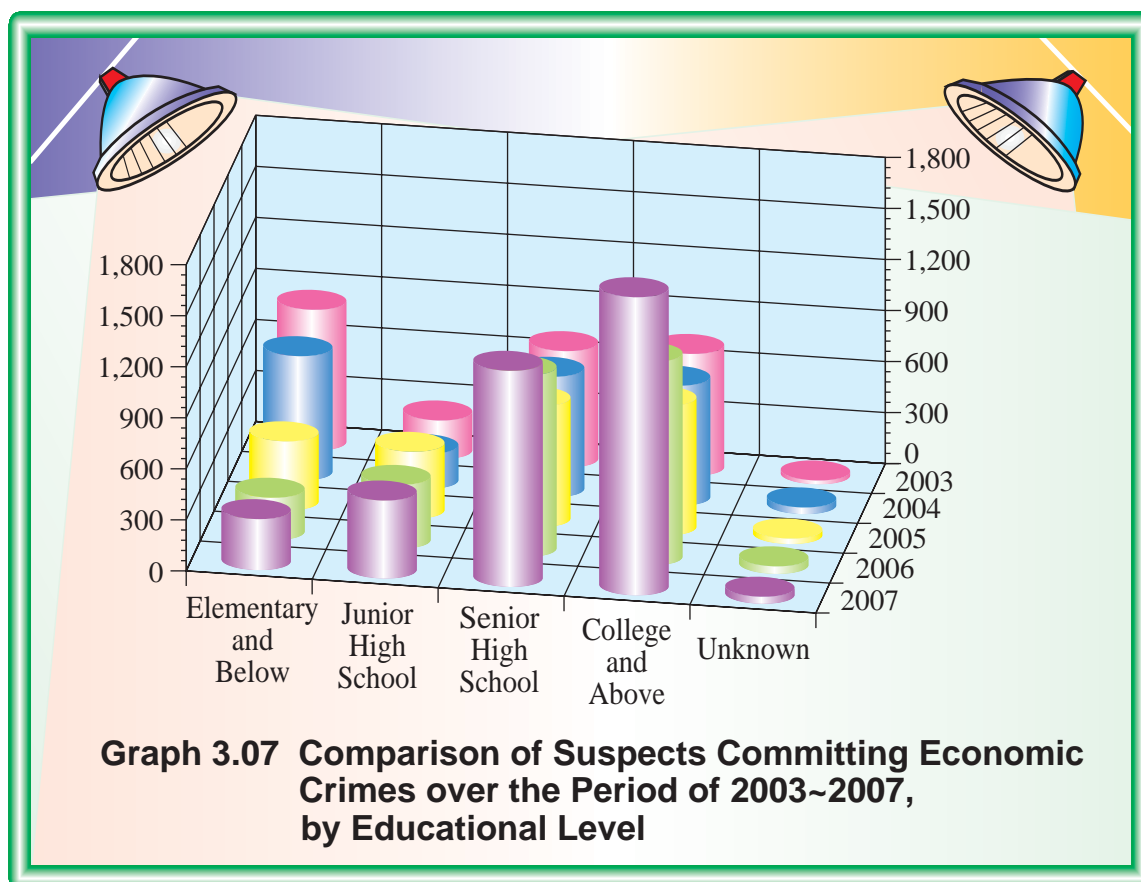


Table 3.08 Statistics of Sources of Economic Crimes in 2006 and 2007

Origination Offenses	Total		Uncovered by Self Initiation				Informants		Handed down by Superior Office		Directed by Prosecutors		Provided by Related Governing Organizations	
	2007	2006	2007	%	2006	%	2007	2006	2007	2006	2007	2006	2007	2006
Total	796	773	328	41.21%	344	44.50%	165	146	6	2	156	136	141	145
Fraud	273	215	126	46.15%	99	46.05%	64	56	1	1	54	38	28	21
Embezzlement	76	85	30	39.47%	44	51.76%	19	16	0	0	13	11	14	14
Breach of trust	43	41	8	18.60%	17	41.46%	17	2	0	0	13	14	5	8
Usury	18	31	11	61.11%	20	64.52%	5	7	0	0	2	2	0	2
Smuggling	22	33	4	18.18%	7	21.21%	1	0	0	0	0	1	17	25
Violation of Tax Collection Act	91	77	16	17.58%	14	18.18%	5	10	0	0	45	28	25	25
Counterfeit or Alteration of Currency and Negotiable Securities	3	12	0	0.00%	5	41.67%	1	4	1	0	0	3	1	0
Violation of Tobacco and Alcohol Administration Act	1	0	0	NA	0	NA	0	0	0	0	0	0	1	0
Violation of Banking Act	48	42	21	43.75%	22	52.38%	12	13	2	0	8	5	5	2
Infringement of Intellectual Property Rights	116	118	67	57.76%	73	61.86%	21	18	0	0	2	3	26	24
Violation of Securities & Exchange Act	67	75	34	50.75%	31	41.33%	7	7	0	0	14	24	12	13
Violation of Fair Trade Act	0	1	0	NA	0	NA	0	0	0	0	0	1	0	0
Violation of Futures Trading Law	18	18	2	11.11%	9	50.00%	9	5	1	1	4	3	2	0
Violation of Insurance Act	3	2	1	33.33%	1	50.00%	0	0	0	0	1	1	1	0
Other Offenses Undermining Economic Order	17	23	8	47.06%	2	8.70%	4	8	1	0	0	2	4	11

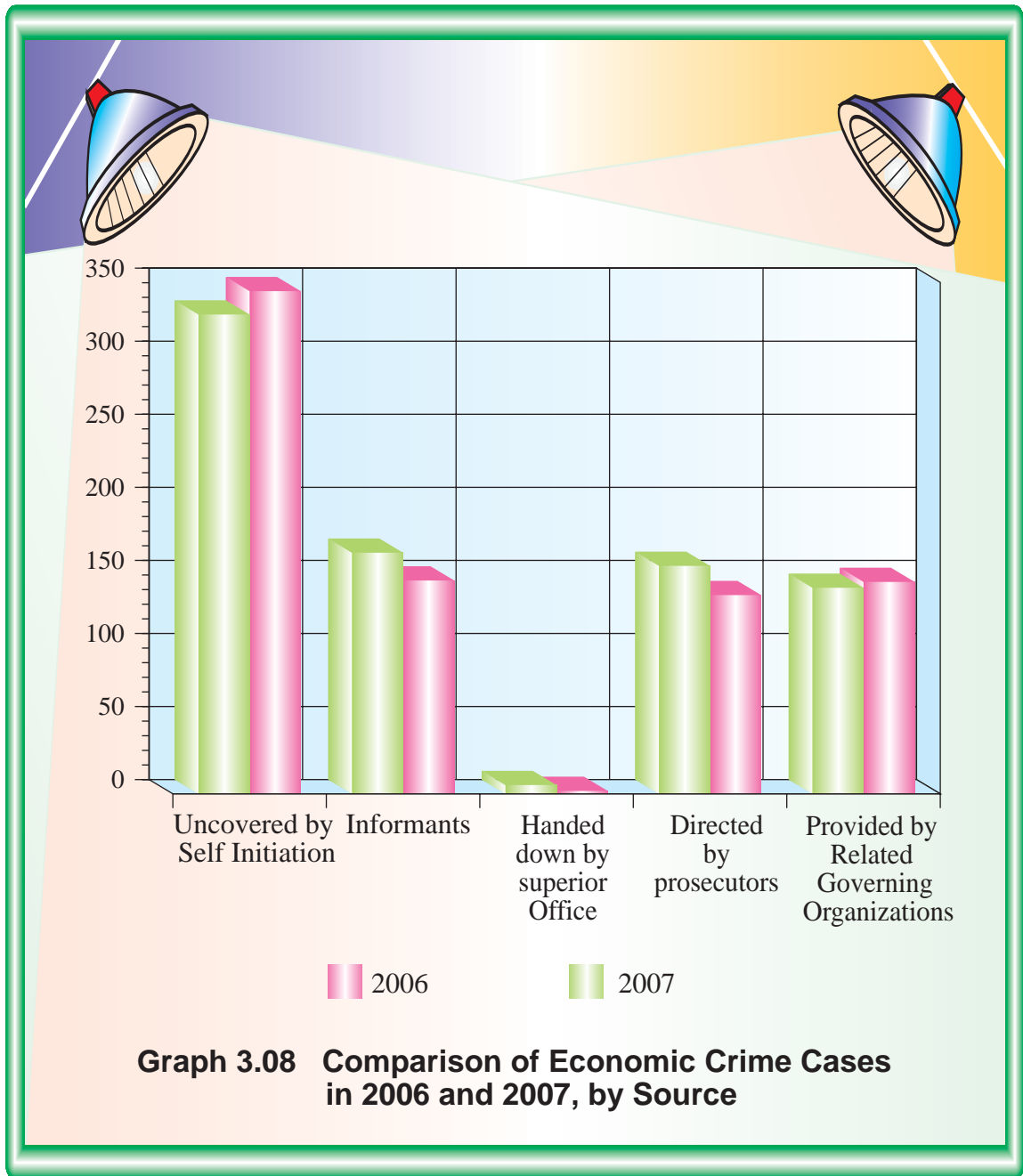
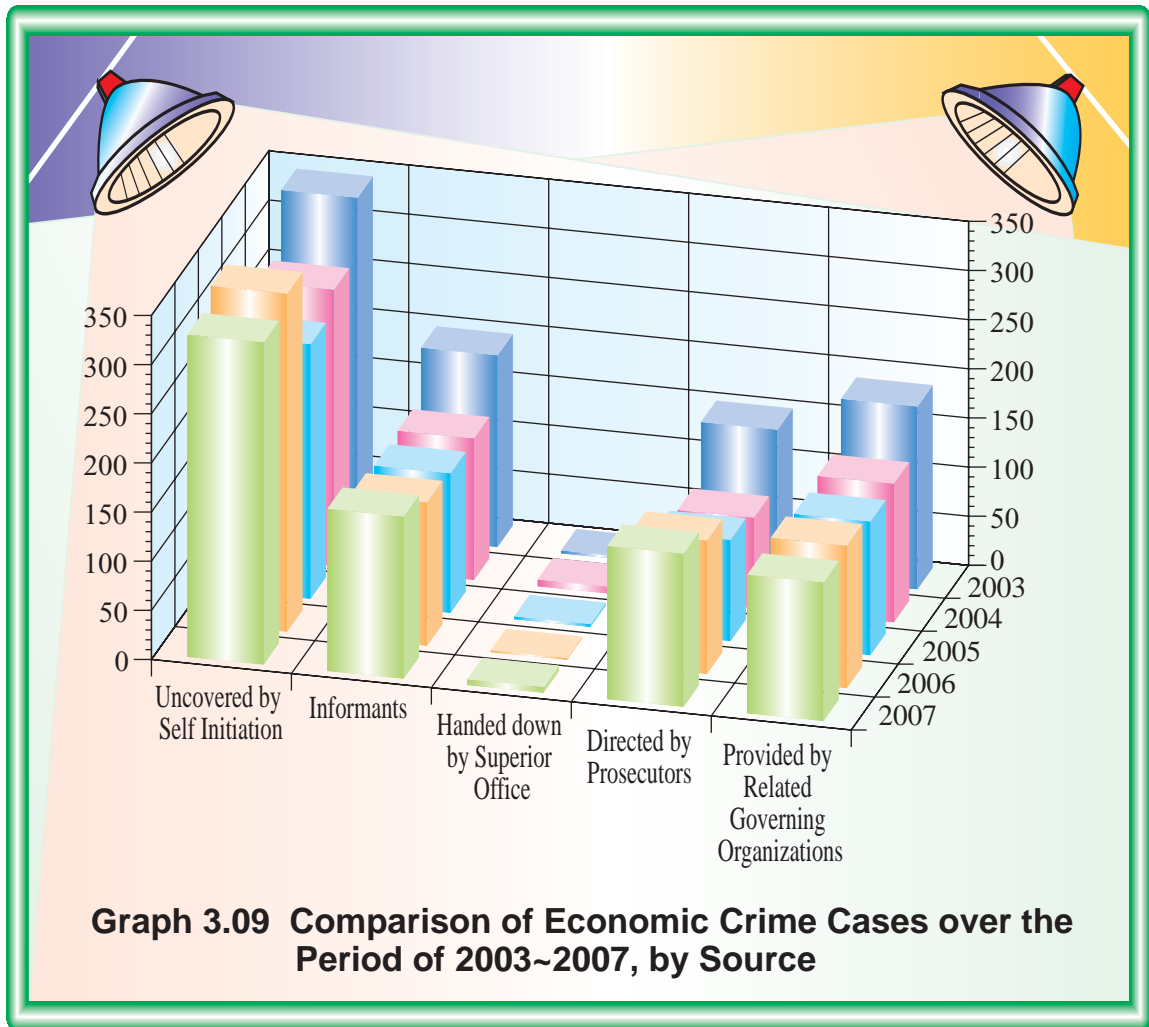


Table 3.09 Statistics of Sources of Economic Crimes over the Period of 2003~2007

Year	Total		Uncovered by Self Initiation		Informants	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	3,750	100.00%	1,553	41.41%	792	21.12%
2003	873	100.00%	341	39.06%	195	22.34%
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%

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	21	0.56%	635	16.93%	749	19.97%
2003	3	0.34%	148	16.95%	186	21.31%
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%



Graph 3.09 Comparison of Economic Crime Cases over the Period of 2003~2007, by Source

E. Causes of Crime

A statistic of the economic crimes in 2007 showed that 2,031 offenders were tempted by opportunistic profit, accounting for 53.10% of all offenders; 681 persons or 17.80% were prompted by distorted concepts; 217 persons or 5.67% were habitual offense; 212 persons or 5.54% were implicated by others; 162 persons or 4.24% were due to incomplete

regulations; 152 persons or 3.97% were because of other reasons; 84 persons or 2.20% were due to poor business operation; 84 persons or 2.20% were economically affected; 57 persons or 1.49% were due to difficulty in livelihood; 43 persons or 1.12% committed temporary misconduct; 42 persons or 1.10% were due to ill nature; 29 persons or 0.76% were seduced by external enticement; 16

persons or 0.42% were because of family factors; 8 persons or 0.21% were due to a lack of education; and 7 persons or 0.18% were due to bad habits. (see Table 3.10 & 3.11 and Graph 3.10)

In the 5-year statistics of Causes of crime involving 13,936 suspects, 7,856 persons or 56.37% committed crime tempted by opportunistic profit, accounting for the highest percentage, followed by distorted concepts involving 2,206 suspects and accounting for 15.83%, and habitual offense involving 769 suspects and accounting for 5.52% of the total. (see Table 3.11 and Graph 3.11)

F. Areas of Crime

This year of the highest occurrence of economic crimes took place in Taipei City with 154 cases, making up 19.3% of the total cases, next is cross-county with 107 cases, making up 13.4%, followed by Kaohsiung City with 81 cases, making up 10.2%, Taipei County with 75 cases, making up 9.4%, Taichung City with 69 cases, making up 8.7%, Taoyuan County with 55 cases, making up 6.9%, Kaohsiung County with 35 cases, making up 4.4%; Changhwa County with 32 cases, making up 4.0%; Taichung County with 31 cases, making up 3.9%; Keelung City with 24 cases, making up 3.0%; Tainan County with 17 cases, making up 2.1%; Hualien County with 14 cases, making up 1.8%; Ilan County and Hsinchu County respectively with 13 cases, making up 1.6%; Hsinchu City with 12 cases, making up 1.5%; Chiayi County and Pingtung County respectively with 11 cases,

making up 1.4%; Tainan City with 10 cases, making up 1.3%; Chiayi City with 8 cases, making up 1.0%; Miaoli County and Nantou County respectively with 6 cases, making up 0.8%; Yunlin County and Kinmen County respectively with 4 cases, making up 0.5%; Penghu County with 3 cases, making up 0.4%; and Taitung County with 1 case, making up 0.1%. (See Table 3.12 and 3.13)

The statistical data indicates that metropolitan areas with higher economic activities have a higher chance of economic crimes happening. The main economic crime patterns in metropolitan areas are fraud, embezzlement, breach of trust, Tax Collection Act violation, infringement of intellectual property rights, and Securities & Exchange Act violation. (See Table 3.13 and Graph 3.12)

Table 3.10 Statistics of Causes of Economic Crimes in 2006 and 2007

Causes Offenses	Total		Incomplete regulations		Poor Business Operation		Economically Affected	
	2007	2006	2007	2006	2007	2006	2007	2006
Total	3,825	2,934	162	45	84	59	84	40
Fraud	1,206	712	131	7	28	17	9	12
Embezzlement	153	165	10	0	15	10	2	0
Breach of trust	266	134	2	8	2	12	10	4
Usury	66	88	0	1	0	0	0	0
Smuggling	33	35	2	0	0	0	1	3
Violation of Tax Collection Act	1,343	926	2	11	14	6	51	8
Counterfeit or Alteration of Currency and Negotiable Securities	8	24	2	1	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	1	0	0	0	0	0	0	0
Violation of Banking Act	151	238	5	5	2	6	0	4
Infringement of Intellectual Property Rights	160	180	8	7	4	0	1	6
Violation of Securities & Exchange Act	344	305	0	1	19	8	10	1
Violation of Fair Trade Act	0	2	0	0	0	0	0	0
Violation of Futures Trading Law	64	67	0	0	0	0	0	0
Violation of Insurance Act	8	15	0	0	0	0	0	0
Other Offenses Undermining Economic Order	22	43	0	4	0	0	0	2

Table 3.10 (cont.)

Causes Offenses	Implicated by Others		Opportunistic Profit		Habitual Offense		Distorted Concept	
	2007	2006	2007	2006	2007	2006	2007	2006
Total	212	171	2,031	1,711	217	205	681	444
Fraud	82	71	537	347	83	90	159	95
Embezzlement	5	22	55	71	1	1	41	44
Breach of trust	24	3	117	53	4	2	74	47
Usury	0	0	38	46	12	38	11	2
Smuggling	1	1	18	20	1	3	7	5
Violation of Tax Collection Act	66	40	828	624	79	26	245	120
Counterfeit or Alteration of Currency and Negotiable Securities	1	2	2	10	0	11	1	0
Violation of Tobacco and Alcohol Administration Act	0	0	1	0	0	0	0	0
Violation of Banking Act	6	13	90	148	19	10	22	23
Infringement of Intellectual Property Rights	2	3	89	102	10	12	25	26
Violation of Securities & Exchange Act	23	13	192	215	1	8	84	54
Violation of Fair Trade Act		0	0	0	2	0	0	0
Violation of Futures Trading Law	0	1	46	52	6	0	6	5
Violation of Insurance Act	0	0	5	1	0	0	3	13
Other Offenses Undermining Economic Order	2	2	13	20	1	4	3	10

Table 3.10 (cont.)

Causes Offenses	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	2007	2006	2007	2006	2007	2006	2007	2006
Total	57	43	29	46	16	14	7	17
Fraud	41	12	17	10	3	2	3	3
Embezzlement	5	1	3	0	2	2	0	2
Breach of trust	1	0	2	2	7	0	0	0
Usury	2	0	1	1	0	0	0	0
Smuggling	0	0	0	2	0	0	0	0
Violation of Tax Collection Act	2	23	3	14	0	6	1	7
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0
Violation of Banking Act	0	4	0	6	0	4	1	3
Infringement of Intellectual Property Rights	2	2	0	1	1	0	1	1
Violation of Securities & Exchange Act	3	0	0	3	3	0	0	0
Violation of Fair Trade Act	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	0	1	3	7	0	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	1
Other Offenses Undermining Economic Order	1	0	0	0	0	0	1	0

Table 3.10 (cont.)

Causes Offenses	Temporary Misconduct		Lack of Education		Ill nature		Others	
	2007	2006	2007	2006	2007	2006	2007	2006
Total	43	58	8	39	42	29	152	13
Fraud	10	7	2	29	13	10	88	0
Embezzlement		6	6	0	0	2	6	6
Breach of trust	0	3	0	0	16	0	7	0
Usury	0	0	0	0	0	0	2	0
Smuggling	2	1	0	0	1	0	0	0
Violation of Tax Collection Act	9	16	3	5	7	8	33	12
Counterfeit or Alteration of Currency and Negotiable Security	0	0	0	0	0	0	2	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0
Violation of Banking Act	1	5	2	3	3	3	0	1
Infringement of Intellectual Property Rights	6	18	1	2	0	0	10	0
Violation of Securities & Exchange Act	5	0	0	0	0	2	4	0
Violation of Fair Trade Act	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	3	1	0	0	0	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	1	1	0	0	0	0	0	0

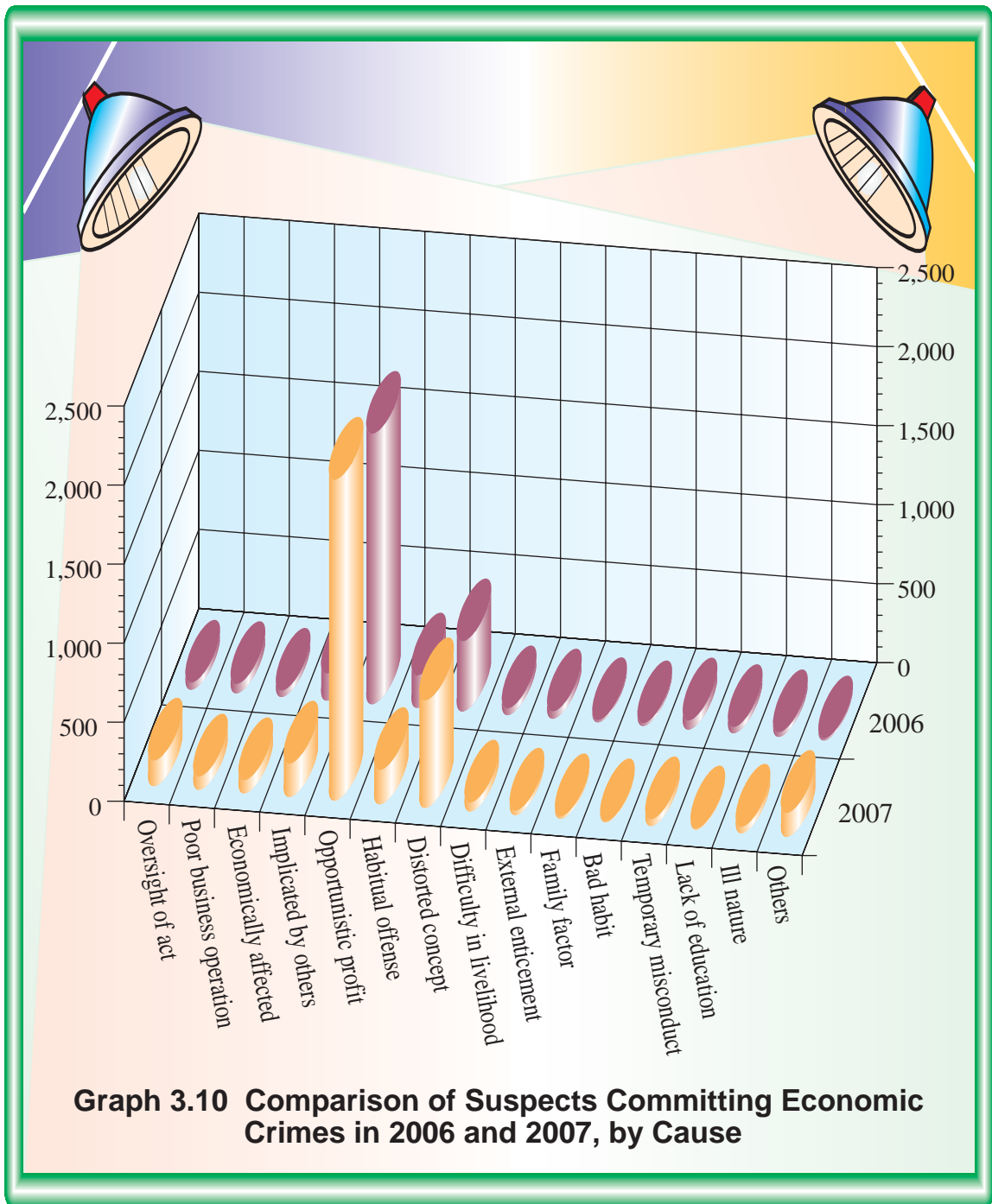


Table 3.11 Statistics of Causes of Economic Crimes over the Period of 2003~2007

Cause \ Year	Total		Oversight of Act		Poor Business Operation		Economically Affected	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	13,936	100%	454	3.26%	424	3.04%	216	1.55%
2003	2,479	100%	122	4.92%	116	4.68%	33	1.33%
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%

Table 3.11 (cont.)

Cause \ Year	Implicated by Others		Opportunistic Profit		Habitual Offense		Distorted Concept	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	622	4.46%	7,856	56.37%	769	5.52%	2,206	15.83%
2003	106	4.28%	1,386	55.91%	136	5.49%	386	15.57%
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%

Table 3.11 (cont.)

Cause Year	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	147	1.05%	214	1.54%	54	0.39%	37	0.27%
2003	10	0.40%	30	1.21%	6	0.24%	1	0.04%
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%

Table 3.11 (cont.)

Cause Year	Temporary Misconduct		Lack of Education		Ill nature		Others	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	314	2.25%	68	0.49%	133	0.95%	422	3.03%
2003	44	1.77%	10	0.40%	30	1.21%	63	2.54%
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%

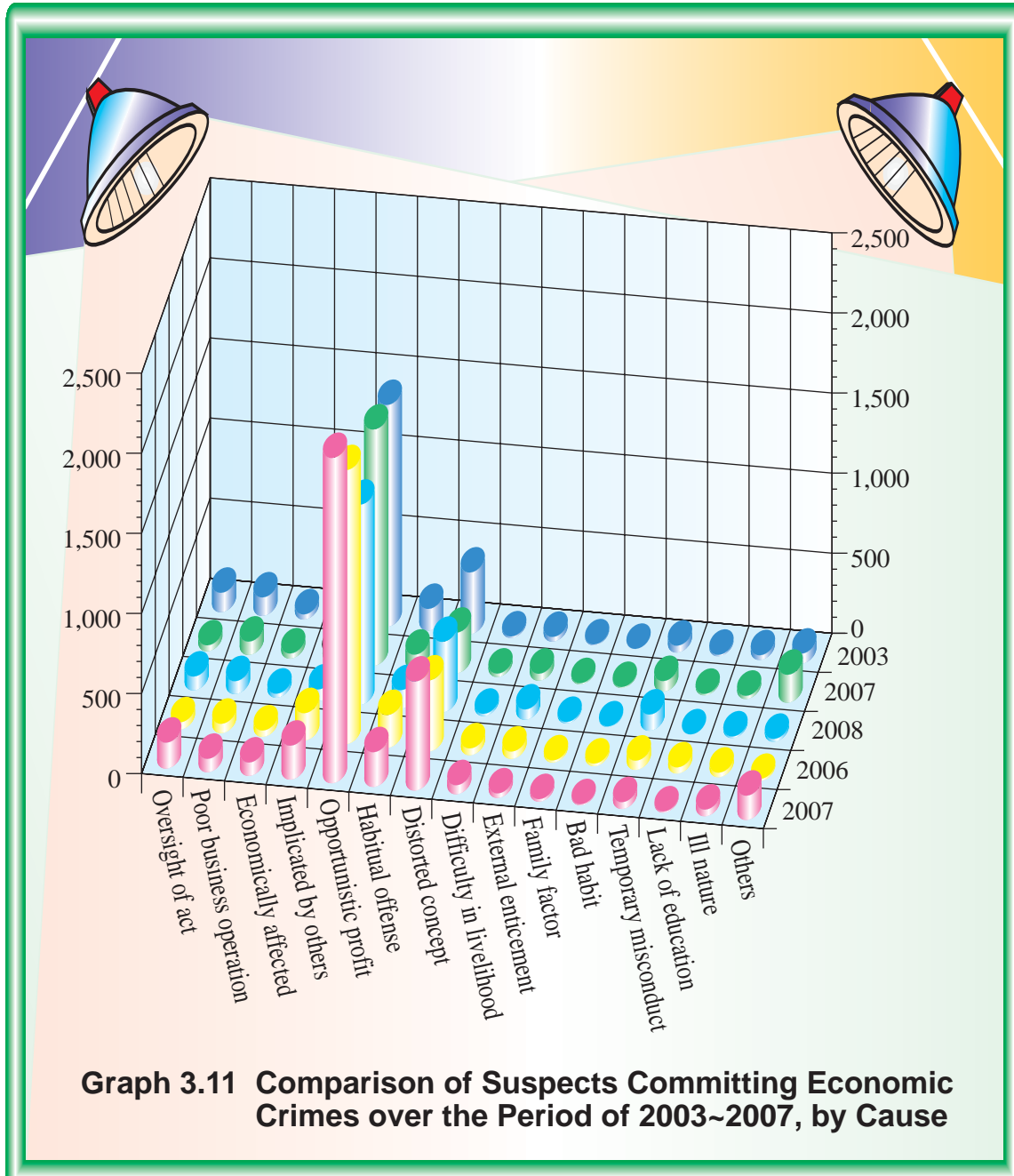


Table 3.12 Statistics of Areas of Economic Crimes in 2006 and 2007

Area Offenses	Total		Taipei City		Kaohsiung City		Taipei County		Keelung City		Ilan County		Taoyuan County	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	796	773	154	148	81	113	75	81	24	31	13	9	55	49
Fraud	273	215	34	38	31	28	23	23	2	3	4	2	12	12
Embezzlement	76	85	19	17	3	10	2	7	2	2	5	1	5	4
Breach of trust	43	41	19	13	4	7	2	6	0	0	0	0	3	1
Usury	18	31	1	3	4	2	1	2	0	1	0	0	3	6
Smuggling	22	33	0	0	10	13	0	0	7	13	0	0	1	1
Violation of Tax Collection Act	91	77	18	12	12	12	5	10	2	0	2	2	22	9
Counterfeit or Alteration of Currency and Negotiable Securities	3	12	0	2	0	5	0	0	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	1	0	0	0	0	0	0	0	1	0	0	0	0	0
Violation of Banking Act	48	42	11	8	3	5	8	2	2	1	0	0	0	1
Infringement of Intellectual Property Rights	116	118	12	17	9	14	20	16	8	8	1	0	9	7
Violation of Securities & Exchange Act	67	75	31	26	2	10	7	12	0	2	1	0	0	3
Violation of Fair Trade Act	0	1	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	18	18	8	4	0	3	2	0	0	0	0	4	0	0
Violation of Insurance Act	3	2	0	2	0	0	1	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	17	23	1	6	3	4	4	3	0	1	0	0	0	5

Table 3.12 (cont.)

Area Offenses	Hsinchu City		Hsinchu County		Miaoli County		Taichung City		Taichung County		Changhwa County		Nantou County	
	2007	2006	2007	2006	2007	2007	2007	2006	2007	2006	2007	2006	2007	2006
Total	12	14	13	15	6	8	69	51	31	30	32	30	6	17
Fraud	3	7	4	4	1	4	37	11	12	8	19	13	3	10
Embezzlement	3	0	4	4	1	1	2	6	4	4	2	5	1	2
Breach of trust	0	0	3	0	0	1	0	2	1	0	2	4	0	0
Usury	0	0	0	1	1	0	1	4	0	0	0	0	0	1
Smuggling	0	0	0	0	0	0	0	0	3	1	1	0	0	0
Violation of Tax Collection Act	1	2	0	2	1	0	3	7	1	5	3	4	0	1
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	1	0	0	1	0	0	0	1
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	1	0	1	0	1	0	5	11	1	1	1	1	0	0
Infringement of Intellectual Property Rights	2	2	0	1	0	0	9	5	8	10	4	3	1	2
Violation of Securities & Exchange Act	1	3	1	2	0	0	9	3	0	0	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 Law	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	1	0	0	1	0	0	0	1	1	0	0	0	1	0

Table 3.12 (cont.)

Area Offenses	Yunglin County		Chiayi City		Chiayi County		Tainan City		Tainan County		Kaohsiung County		Pingtung County	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	4	15	8	14	11	7	10	18	17	18	35	2	11	8
Fraud	3	10	4	0	5	1	6	6	6	5	10	1	4	4
Embezzlement	1	3	1	3	0	2	0	2	1	0	5	0	2	2
Breach of trust	0	0	0	0	1	0	1	1	1	2	1	1	1	0
Usury	0	0	1	4	3	1	0	0	1	2	0	0	1	0
Smuggling	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Tax Collection Act	0	2	0	4	1	0	0	2	3	2	3	0	0	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	1	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	0	1	0	0	1	0	1	2	0	3	0	1	0
Infringement of Intellectual Property Rights	0	0	1	3	0	0	1	5	1	6	12	0	2	2
Violation of Securities & Exchange Act	0	0	0	0	0	2	2	0	1	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 Law	0	0	0	0	0	0	0	0	1	0	1	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Table 3.12 (cont.)

Area Offenses	Taitung County		Hualien County		Penghu County		Kinmen		Matsu		Cross-county	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
Total	1	2	14	13	3	3	4	4	0	0	107	73
Fraud	1	1	5	11	1	1	4	3	0	0	39	9
Embezzlement	0	1	1	0	0	1	0	0	0	0	12	8
Breach of trust	0	0	1	0	1	0	0	0	0	0	2	3
Usury	0	0	0	1	0	0	0	1	0	0	1	2
Smuggling	0	0	0	0	0	0	0	0	0	0	0	5
Violation of Tax Collection Act	0	0	4	1	0	0	0	0	0	0	10	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	0	0	0	0	1	2
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Banking Act	0	0	0	0	1	0	0	0	0	0	6	10
Infringement of Intellectual Property Rights	0	0	1	0	0	0	0	0	0	0	15	17
Violation of Securities & Exchange Act	0	0	2	0	0	0	0	0	0	0	10	11
Violation of Fair Trade Act	0	0	0	0	0	0	0	0	0	0	0	1
Violation of Futures Trading Law	0	0	0	0	0	0	0	0	0	0	3	4
Violation of Insurance Act	0	0	0	0	0	0	0	0	0	0	2	0
Other Offenses Undermining Economic Order	0	0	0	0	0	1	0	0	0	0	6	1

Table 3.13 Statistics of Areas of Economic Crimes over the Period of 2003~2007

Area Year	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	3,750	100%	738	19.7%	466	12.4%	359	9.6%	134	3.6%	59	1.6%
2003	873	100%	167	19.1%	87	10.0%	72	8.2%	40	4.6%	17	1.9%
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%

Table 3.13 (cont.)

Area Year	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	218	5.8%	79	2.1%	58	1.5%	35	0.9%	229	6.1%	181	4.8%
2003	29	3.3%	22	2.5%	12	1.4%	8	0.9%	37	4.2%	53	6.1%
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%

Table 3.13 (cont.)

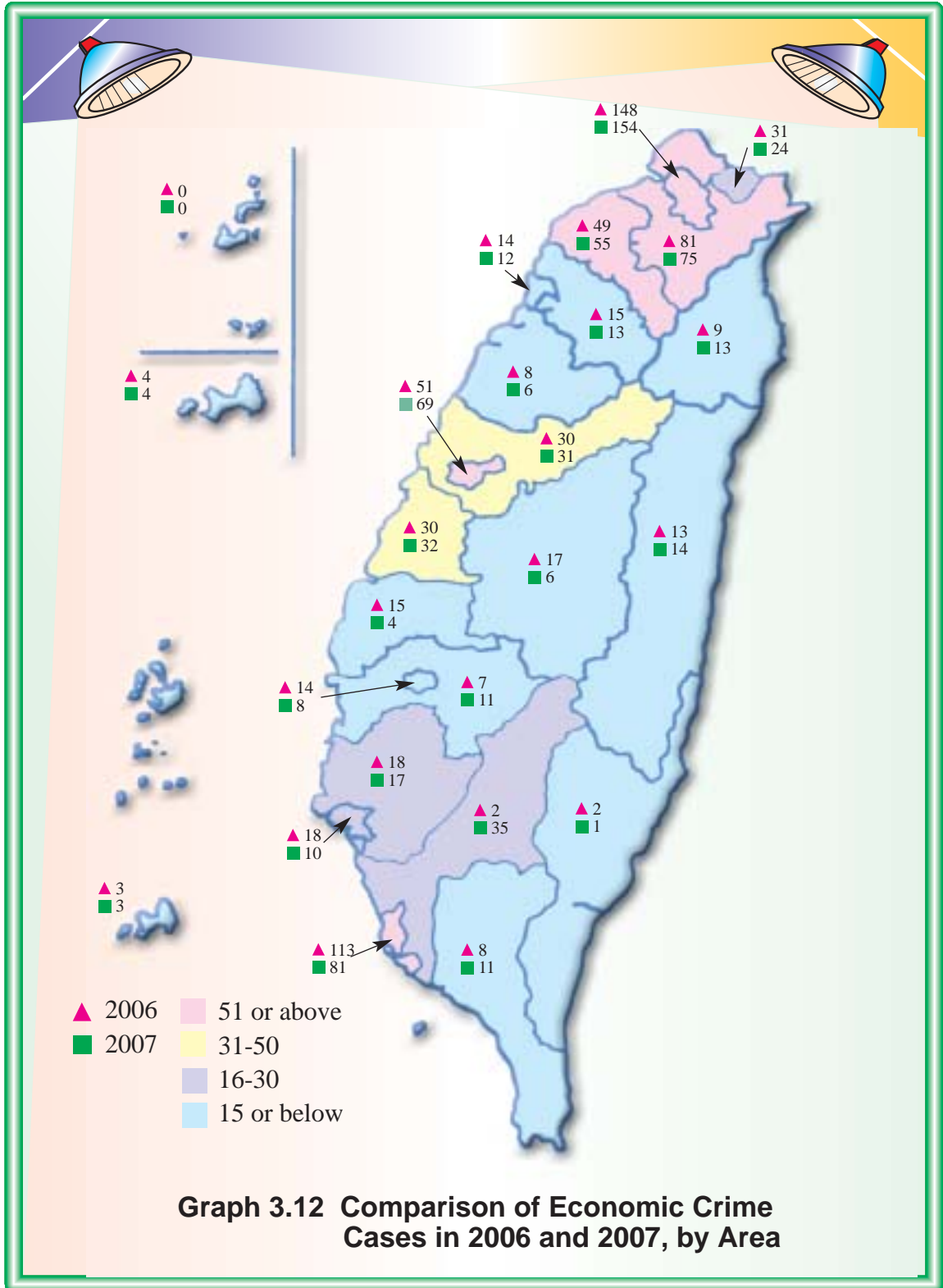
Area Year	Changhwa County		Nantou County		Yunglin County		Chiayi City		Chiayi County		Tainan City	
	No. of cases	%	No. of cases	%	No. of cases	%	No. of cases	%	No. of cases	%	No. of cases	%
Total	141	3.8%	42	1.1%	67	1.8%	67	1.8%	48	1.3%	85	2.3%
2003	27	3.1%	9	1.0%	26	3.0%	10	1.1%	18	2.1%	15	1.7%
2004	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%

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	102	2.7%	104	2.8%	52	1.4%	18	0.5%	50	1.3%	16	0.4%
2003	39	4.5%	27	3.1%	17	1.9%	6	0.7%	11	1.3%	3	0.3%
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%

Table 3.13 (cont.)

Area \ Year	Kinmen		Matsu		Cross-county	
	No. of cases	%	No. of cases	%	No. of cases	%
Total	16	0.4%	2	0.1%	384	10.2%
2003	3	0.3%	1	0.1%	117	13.4%
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%



II. General Crime Cases

The Bureau focuses its efforts on significant economic crimes. But in order to protect the interests of the public, the Bureau also actively investigates general crime cases. In 2007, MJIB investigated 155 general crime cases, up 13.97% as compared to 136 cases in 2006. These cases involved 290 suspects, down 25.06% as compared to 387 suspects in 2006. Due to the huge diversity in crime patterns, the related statistical analysis is not available for comparison.



The Prevention and Investigation of Economic Crimes

Part Four

Outlook





Outlook

In the year ahead, the Bureau will continue to carry on the tasks of economic crime prevention in line with the economic situation and the criminal trend. Our concrete plans for 2008 are as follows:

I. Economic crime prevention:

- (i) Closely grasp the financial and operating status of listed companies, group enterprises and financial institutions, take a prior and active approach to collect intelligence on any irregular business activities or potential financial crisis, and take appropriate preventive actions.
- (ii) Strengthen the gathering of early warning information on crimes affecting the livelihood of people, including adulterated foodstuff, pharmaceutical products, and daily necessities. As well as illegal stock hoarding, driving up prices of daily necessities or public building materials, and take appropriate preventive actions.
- (iii) Actively gather intelligence on public companies attempting to deplete corporate assets by means of private placement and technology transfer, and take preventive measures.
- (iv) Conduct in-depth examination of industrial and commercial enterprises with financial difficulty, declining business or bounced checks of large amounts, and pass it on to field divisions

for investigation

- (v) Target serious economic crime problems, invite experts, academics, legal professionals, competent authorities and the industry people to hold 'Conference on Prevention of Economic Crimes', and confer on prevention policies to provide them to related agencies for reference.

II. Investigation of economic crimes:

(i) Draw up 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 the investigation work on 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 the investigation work on illegal absorption of funds, underground remittances, and underground futures trading etc., to safeguard the interests of the public and clean up the environment for economic activities.

(ii) In step with government policy, improve public security:

- A. Support government policy on striking down fraud and intimidation crimes, to enhance the investigation of telephone scam and intimidation cases.
- B. Support government policy on striking down livelihood crimes, to strengthen investigation on adulterated foodstuff, pharmaceutical products, daily necessities, usury, as well as violent debt collection.
- C. Support government's anti-corruption policy to step up investigation on corporate corruption, such as stock market crime, financial crime, embezzlement of corporate assets, illegal merger and acquisition, and illegal private fund-raising.
- D. Support government policy on curbing smuggling crimes to enhance seizure of smuggling cases.
- E. Support government policy on striking down stealing syndicates, to step up the gathering of intelligence on places where stolen automobiles, motorcycles, excavators, and large machinery are dismantled and sold, the use of containers for smuggling stolen vehicles, and provide the information to "Joint Stolen Goods Investigation Task Force".

(iii) Timely checking and effective deterrence:

Target new patterns of crimes and specific types of serious economic crimes, mobilize

field units to gather evidence and then synchronize investigative actions and make news announcements to achieve education and deterrence.

(iv) Go for in-depth investigation, and diminish the tie of ill-gotten money:

During investigation of serious economic crime cases, pay attention to the involvement of ill-gotten money and apply Organized Crime Prevention Act and Money Laundering Control Act to track the major operator behind the scene and connected criminal structures in order to terminate the mutual assistance connection and the illegal financial resources for co-existing.

(v) Enrich the professional know-how, enhance skills:

- A. Actively participate in the lectures or conferences on finance, securities, insurance, taxation and intellectual property rights held by the relating authorities to absorb professional knowledge and enhance work skills.
- B. Fully utilize technical equipment, and strengthen the cooperation with other government agencies to strike down crimes with concerted forces.

III. Tracking down fugitives:

- (i) During case investigation, immediately negotiate with the prosecutor office to announce arrest warrants and process tracking fugitives once the suspects are found running overseas.
- (ii) Actively uncover the whereabouts of fugitives on the run abroad, and coordinate with the court, the prosecutor office, and related institutes for acquiring basic information in order to provide it in a timely manner to local related agencies for apprehending those fugitives.
- (iii) Play into effect the professional know-how of members in "Apprehending Fugitive Economic Criminals Coordinating Task Force", strengthen the coordination mechanism, and implement division of labor to enhance the efficiency of tracking down fugitives.
- (iv) Break through barriers and build up the communicative channels and the consensus to strike down crimes with China and non-diplomatic countries in order to implement apprehending related jobs.

IV. Broadening international cooperation:

- (i) Acquire chances to participate in international conferences in active measures in order to strengthen the contact and intelligence exchange with international organizations of similar

capability to jointly combat cross-border crimes.

- (ii) Apply the foundation and mechanism of the 'Taiwan-US Judiciary Collaboration Agreement' to set up criminal legal assistance with non-diplomatic countries in order to promote apprehension of fugitives overseas.
- (iii) Expand conducting and participating in international training programs in order to build up relationships for the exchange of intellectual information and case investigation.
- (iv) Promote cooperation and exchange with countries with formal diplomatic ties, such as providing criminal data, supplying prior-warning information, cross-border criminal investigation, extraditing criminals, communicating investigation techniques, exchanging professional know-how, and mutual visit of officials.

V. Cross-strait cooperation on striking down crime:

- (i) Enhance the existing communication channels and promote mutual assistance mechanisms on intellectual information exchange, case investigation, and tracking significant fugitives based on individual cases, then gradually complete the mutual battling and cooperative model.
- (ii) Actively participate in cross-strait cooperative symposium, mutual visits,

and exchanges in order to build up consensus and cooperative relationship for striking down crimes.

- (iii) Gradually establish the mutual-help mechanism for battling crimes between cross-strait sides through international conferences for economic crime prevention, and indirect multi-lateral cooperation.

Part Five

Chronicle





Chronology of Major Events in 2007

Date	Event Abstract
2007.01.04	Taoyuan County Field Office investigated the case of Chi, ** violating the Trademark Act and seized a total of 1,942 pieces of counterfeit clothing.
2007.01.09 2007.01.12	Securities and Futures Institute held the 34 th Symposium for Law and Cases in Securities and Futures Market; 7 officers of the Bureau took part.
2007.01.10	Northern Mobile Unit investigated and searched offices of Yu * Insurance Company, Cha * Food and Textile Co., China Li* Department Store, Chung * Commercial Bank, and Li * Bills Finance Co. under Li * Enterprise Group, and the living place of the former Chair Wang, * Tzeng, totaling 15 locations, seized a batch of data, and interviewed related persons.
2007.01.15	Northern Mobile Unit co-investigated the case that Wang, ** the CEO of Li * Enterprise Group was involved in emptying out the assets of Ya * Broad Band Co. of up to \$26,341,940,000.
2007.01.17	Tainan County Field Office co-investigated the case that Chiang, ** was involved in selling a total of 17,000 checks of proxy accounts.
2007.01.19	Held the 69 th meeting of “Apprehending Fugitive Economic Criminals Coordination Task Force”.
2007.01.26	Taipei City Field Office arranged chartered planes to Mazu to send and escort Yang, ** and 14 other persons, the suspects of telephone frauds back to Taiwan, who were apprehended by the police unit of China according to the Kinmen Treaty.
2007.01.27	Southern Mobile Unit investigated the case that Shao, ** was involved in smuggling over 8,500 kilograms of mushroom, and over 530 boxes of leather and sport shoes.
2007.01.31	Taipei City Field Office investigated the case that Wang, **, the chairperson of Li * Enterprise Group emptied out assets of Chung * Bank for a total of \$39,270,000.
2007.02.01	Yunlin County Field Office investigated the case that Chen, ** Group was involved in collecting and selling dead or sick pork and seized 2,805 kilograms of meat.
2007.02.05	Maritime Field Office investigated the case that Chong, ** Group smuggled 35 kilograms of Amphetamine and 91.2 kilograms of Ketamine.

Date	Event Abstract
2007.02.05 2007.02.06	Graduate Institute of Intellectual Property, National Chengchi University and Licensing Executives Society Chinese Taipei conducted the Symposium for Protecting Intellectual Property Right; the Bureau had 20 officials participate.
2007.02.08	Chaiyi City Field Office investigated the case that Hsai, **, the operator of Shey, * Co. illegally absorbed capital of over 100 million dollars.
2007.02.13	Mr. Nelson Low, the legal agent of the Hong Kong Office of US FBI visited the Bureau.
2007.02.15	Northern Mobile Unit investigated the case that Wang, * Tzeng, the Chair of Li * Enterprise Group was involved in emptying out assets of the Group (including Yu * Insurance Company, Cha * Food and Textile Co., China Li* Co., Chung * Commercial Bank, Ya * Broadband Cable Co., Li * Bills Finance Co., for its insider trading, and false verification of accountant). The case was referred to the Prosecutor Office of Taipei District Court for investigation.
2007.03.01	Taipei City Field Office investigated the case that Ku, **, the deputy chair of board director of Chung * Holdings Co. was involved in violation of the Financial Holding Company Act.
2007.03.08	Northern Mobile Unit investigated the case that Chen, **, the operator of Chi * Tech. Co. violated the Securities & Exchange Act and caused damages up to \$534,000,000.
2007.03.15	Taichung City Field Office investigated Huang, **'s, the Chair of board director of Li *'s Computer Co. involvement in insider trading and avoiding the loss of a price decline of up to 70 million dollars.
2007.03.15	Taipei City Field Office investigated the case that Yao, **, the operator of Yo * Enterprise Co., was involved in smuggling over 8 thousand kilograms of Chinese Mushroom with total market value 9 million dollars.
2007.03.16	Securities and Futures Bureau held a Lecture about the Introduction to the Exposure of Government Information Law; 1 officer of the Bureau took part.
2007.03.21	Mr. Paul Quick, a special agent of the Hawaii Office of US Secret Service visited the Bureau.
2007.03.23	Taipei City Field Office investigated the case that Liu, **, a former member of the board directors, was involved in insider trading and avoiding the loss of a price decline of up to \$4,980,000.

Date	Event Abstract
2007.03.29	Tainan City Field Office investigated the case that Hsei, **, an operator of Nong * Liquid Manufacturer violated the Trademark Act and seized 1,077 bottles of privately brewed rice wine and 282 bottles of red wine.
2007.04.01 2007.04.06	The 4 th International Conference on Asian Organized Crime and Terrorism was held at the Hilton Hotel in Las Vegas, Nevada. The MJIB assigned senior investigator OuYang, MingCheng to attend the conference.
2007.04.09	Taipei City Field Office investigated the case that Huang, **, the Chair of Ya ** Co. violated the Securities & Exchange Act.
2007.04.12	Taipei County Field Office investigated the case that Chiang, **, the Chair of Ying * Ta Co., was involved in insider trading and avoiding a loss due to a declining price of up to \$140,000,000.
2007.04.14	Miaoli County Field Office investigated the case that Chen, * * was involved in selling fishing boat oil and seized over 200,000 liters of A-class Fishing Boat Diesel.
2007.04.16	Southern Mobile Unit investigated the case that Chan, **, the deputy general manager of ** Credit Cooperative in Kaohsiung City, was involved in breach of trust to cause damages of \$150,000,000.
2007.04.18	Taipei City Field Office, Maritime Field Office, Taipei County Field Office, Taoyuan County Field Office, Tainan City Field Office, Kaohsiung County Field Office, and Southern Mobil Unit cooperated in investigating 8 underground remittance operators, who violated the Banking Act.
2007.04.19	Yunlin County Field Office investigated the case that Chiang, ** violated the Pharmaceutical Affairs Act and seized Sountongwan and Wulinsan and near a hundred other types of counterfeit medicine.
2007.04.19	The 108 th “Inter-agency Meeting on the Execution of Economic Crime Prevention” was held.
2007.04.26 2007.04.27	Mr. Michael Mason, the Executive Assistant Director for Criminal Investigations of the US FBI was invited to the Bureau and met Director General Yeh.
2007.04.30	Taitong County Field Office investigated the case that Lin, **, the chair of Lu * Ting Development Co., was involved in breach of trust and caused loss totaling over \$440,000,000.

Date	Event Abstract
2007.04.30	Securities and Futures Bureau held a Lecture about Introduction to credit derivative products; 2 officers of the Bureau took part.
2007.05.01	Northern Mobile Unit investigated the case that Tsung * Tech Co. violated the Tax Collection Act and received illegal revenues totaling over 67 million dollars.
2007.05.02	Yunlin County Field Office investigated the case that Chang, **, an operator of Hsing * Clinic involved in medical treatment frauds totaling 8.95 million dollars.
2007.05.02	Taichung City Field Office investigated the case that Huang, **, the director of Hai* Wei Co., was involved in presenting false financial statements.
2007.05.03	Mr. Albert Jaoquin, the Director of the Hawaii Office of US Secret Service visited Director General Yeh.
2007.05.07	Mr. Sunai Manomaiudom, the director-general of the Department of Special Investigation (DSI), Thai Justice Ministry led his wife and 3 other companions to visit Director General Yeh.
2007.05.17	Taipei City Field Office, Taipei County Field Office, Taoyuan County Field Office, Taichung City Field Office, Chaiyi City Field Office, Tainan City Field Office, and Pingtung County Field Office cooperated in investigating 22 pharmacy shops involved in selling counterfeit and prohibited medicine and seized over 30,000 pills of Viagra, Reductil, and Spanish Fly.
2007.05.17	Southern Mobile Unit investigated the case that Hsu, **, the chair of Wei * Tech Co., manipulated stock prices and received illegal revenues of over 62 million dollars.
2007.05.18	The 24-member delegation led by Mr. Bayansan Davgasynzel, the Director of the Chief Prosecutor Office of the Capital, Mongolia, visited the Bureau.
2007.05.18	Securities and Futures Bureau held the Lecture of Reaching the Other Climax in Life; 4 officers of the Bureau took part.
2007.05.20	2006 Economic and Drug Crime Prevention Yearbook was published.
2007.05.20 2007.05.23	Investigator Hsu, FuTei and 2 members from Northern Mobile Unit accompanied Wang, ShengHuei, the prosecutor of Panciao District Court on a visit to Macau prosecutor office discussing legal cooperation and investigating the case of Yeh, ** being involved in fraud and money laundry.

Chronology of Major Events in 2007

Date	Event Abstract
2007.05.21	Tainan County Field Office investigated the case that Hung, **, was involved in dismantling and selling meat of sick dead cattle, and detained body parts of up to 2,500 kilograms of cattle.
2007.05.24	Northern Mobile Unit investigated the case that Chen, **, the operator of Hen * Co., was involved in loan fraud of over \$66,000,000.
2007.05.24	Mr. Yamazaki Hiroto, the Director of Foreign Information, Japan National Police Agency visited Director General Yeh.
2007.05.24	Tainan County Field Office investigated the case that Fan, **, the chair of Shang * Chemical & Pharmaceutical Co., was involved in national health insurance compensation fraud of over \$84,000,000.
2007.05.24	Taipei City Field Office investigated the case that Jen, **, the chair of Jang * Optronics Co., was involved in breach of trust and caused loss of up to \$180,000,000.
2007.05.28	Taichung City Field Office investigated that Lin, **, the deputy chair of Chow * Print Co., violated the Securities & Trading Act and caused loss of \$50,100,000.
2007.05.29	Conducted Symposium about “Economic Crime Problems Caused by Selling Non-performing Loans of Domestic Financing Institutes”.
2007.06.01	Taipei City Field Office investigated the case that Jan, **, the former chair of Ma*Tei Co., was involved in trading in unordinary cases.
2007.06.06	Kaohsiung City Field Office investigated the case that Hu, **, the chair of Chung * Non-destructing Inspection Co., was involved in false application of inspection and maintenance fees for planes of Air Force Academy.
2007.06.06	Taichung City Field Office investigated the case that Huang, **, the chair of Lu * Tech Co., manipulated stock prices.
2007.06.06	Taipei City Field Office investigated the case that Lu, **, the chair of Yu * Co., was involved in insider trading and avoided a price declining loss of over \$26,000,000.
2007.06.06	Nantou County Field Office investigated the case that Hsei Ko, **, the chair of Hsei * Co., manipulated stock prices.
2007.06.12	Taipei City Field Office investigated the case that Huang, **, the former chair of Taiwan Medical Association, was involved in embezzlement.

Date	Event Abstract
2007.06.13	Mr. Paul Quick, a special agent of the Hawaii Office of US Secret Service visited the Bureau.
2007.06.14	Taipei City Field Office and Central Mobile Unit simultaneously investigated the case that 3 underground remittance operators violated the Banking Act, and seized Hong Kong bills and Japanese bills with a value of over 2 million dollars.
2007.06.14	Securities and Futures Bureau held the Lecture of Understanding Enterprise Merging; 4 officers of the Bureau took part.
2007.06.14	Northern Mobile Unit investigated the case that Wang, **, CEO of Eastern Multimedia Group, was involved in loan frauds and embezzlement with illegal revenues totaling over \$7,470,000,000.
2007.06.20	Provided the topic about Taiwan-Japan mutual legal assistance on cooperative investigation of major economic crimes to Ministry of Foreign Affairs in order to request Japan's assistance in setting up the bilateral legal dialogue mechanism.
2007.06.25 2007.06.29	Examination Bureau, Financial Supervisory Committee held the 2007 Middle-Year Training for Financial Examination Personnel; 1 officer of the Bureau participated.
2007.06.28	Held the 70 th meeting of "Apprehending Fugitive Economic Criminals Coordination Task Force".
2007.06.28	Yunlin County Field Office investigated the case that Li, **, the operator of Yong * Enterprise Co., was involved in frauds of selling ownership shares of Ossuary Tower.
2007.07.03	Tainan City Field Office investigated the case that Wu, ** the operator of Mi * Winery Co., violated the Trademark Act, and seized 12,000 bottles of counterfeit TTL Rice Wine, 898 bottles of Old Rice Wine, and 2,000 bottles of Kao Liang.
2007.07.03	Taipei City Field Office investigated the case that Chang, ** of Hong *Capital Co., was involved in insider trading and received illegal revenues of more than 16 million dollars.
2007.07.03 2007.07.05	Securities and Futures Institute held the 35 th Symposium for Law and Cases in Securities and Futures Market; 5 officers of the Bureau took part.

Date	Event Abstract
2007.07.11	Taipei City Field Office investigated the case that Jan, **, a former member of the board of directors of Hsin * International Commercial Bank, was involved in insider trading.
2007.07.12	Taipei City Field Office investigated the case that Yang, **, the chair of Cha * Electronics Co., was involved in insider trading.
2007.07.17 2007.07.19	Securities and Futures Institute held the 36 th Symposium for Law and Cases in Securities and Futures Market; 5 officers of the Bureau took part.
2007.07.17 2007.07.25	The Bureau cooperated with the Prosecutor Office of Taiwan High Court to conduct the 2007 Symposium for Identifying Counterfeit US Bills to train over 700 participants from the prosecutor office, police institutions, investigation units, National Security Bureau, Maritime Patrol Agency, National Immigration Agency, Customs, Military Police, and banks.
2007.07.20	Securities and Futures Bureau held the Lecture of Foundational Protection of Personnel Information Security; 2 officers of the Bureau took part.
2007.08.02	Taichung County Field Office investigated the case that Shan, **, the owner of Ma*Fu Co. Ltd., produced cosmetics products harmful to human health to collect profits totaling 220 million dollars.
2007.08.07	Maritime Field Office investigated the case that Hsiao, ** of Pen *Tech. Co., was involved in breach of trust to cause damages over \$260,000,000.
2007.08.07	Taichung City Field Office investigated the case that Wong, **, a member of the board of directors of Yin * Precision Co., was involved in manipulating stock prices.
2007.08.09	The Ministry of Justice conducted the meeting about steering the Agreement on Taiwan-Vietnam Mutual Legal Assistance, attended by Director Li of Economic Crime Prevention Center.
2007.08.13	The Police Office in Ha Tay of Vietnam requested assistance through the Ministry of Foreign Affairs for the investigation of Taiwanese Wang, **, who was involved in frauds and illegally assisting Vietnamese going abroad.
2007.08.14	Tainan City Field Office investigated the case that Liu, **, the general manager of Huang * Industrial Co., was involved in insider trading.
2007.08.20	Securities and Futures Bureau held the Lecture of Introduction to Risk Management in Administrative Institutes; 2 officers of the Bureau took part.



Date	Event Abstract
2007.08.22	Taipei City Field Office investigated the case that Chen, **, the former principal of Private Dou * Nursing and House Keeping Vocational High School, was emptying out school assets over \$230,000,000.
2007.08.23	The 109 th “Inter-agency Meeting on the Execution of Economic Crime Prevention” was held.
2007.08.24	Taipei County Field Office investigated the case that Ju, **, the owner of How*Tei Co., violated the Pharmaceutical Affairs Act, and seized about 1,000 packs of the counterfeit aphrodisiac medicine YonKenTing.
2007.08.28	Mr. KL Wong, the official of the Hong Kong Office, U.S. Immigration and Customs Enforcement (ICE) visited and communicated with colleagues from the Economic Crime Prevention Center, the Foreign Affairs Office, and the Northern Mobile Unit.
2007.08.30	Chiayi County Field Office investigated the case that HuangChang, ** violated the Pesticide Management Act, and seized 1,780 bottles of the counterfeit pesticide Imidacloprid.
2007.09.03	Taipei City Field Office investigated the case that Wang,** , CEO of Cheng * Enterprise Group, violated the Securities Investment Trust and Consulting Act.
2007.09.05 2007.09.14	The 25 th International Symposium on Economic Crime was held at Jesus College, Cambridge, England. Deputy Director General Tsai led Wang, Chong-Yi, the director of Hsinchu City Field Office, and Chao, Chi-Hsiang, senior agent of the Economic Crime Prevention Center, to participate in the meeting.
2007.09.06	Chiayi County Field Office investigated the case that Huang, **, the operator of Chia * Poultry Production Corporative, used illegal animal medicine, and seized the prohibited animal medicine, including 5 kilograms of Nitrofurantoin, 10 kilograms of Ractopamine, and 25 kilograms of Panadol (for pig).
2007.09.06	Taipei County Field Office investigated the case that Chen, **, the chair of Hong * Precision Co., was involved in manipulating stock prices.
2007.09.18	Securities and Futures Bureau held the Lecture of Basel II and Introduction to Financial Risk Management; 3 officers of the Bureau took part.
2007.09.19	Tainan County Field Office investigated the case that Wang, ** dismantled thousands of kilograms of dead cattle meat.



Date	Event Abstract
2007.09.20 2007.09.21	Taiwan Academy of Banking and Finance held the 15 th Symposium of Credit Card Business and Regulations; 2 officers of the Bureau participated.
2007.09.27 2007.09.28	Taiwan Academy of Banking and Finance held the 16 th Symposium of Credit Card Business and Regulations; 2 officers of the Bureau participated.
2007.10.04	Northern Mobile Unit investigated the case that Tsou, **, the former chair of Ho * Tech. Co., was involved in emptying out company assets.
2007.10.09	Northern Mobile Unit investigated the case that Ko, **, the operator of Pu * Enterprise Group, was involved in insider trading of stocks of Lu * High-tech Co.
2007.10.10 2007.10.21	The 114 th International Association of Chiefs of Police Conference (IACP) was held in New Orleans. Director General Yeh led colleagues to attend the conference.
2007.10.12	Taipei City Field Office investigated the case that Lin, **, the chair of Zi * Life Tech Co., was involved in insider trading.
2007.10.12	Mr. Ronald Moon, the Chief Justice of the Hawaii State Supreme Court in Honolulu, Hawaii, led a 4-member delegation to call on the Bureau.
2007.10.16	Mr. Anil Gogna, the HMRC Investigator of Custom House, Britain, visited the Bureau.
2007.10.17	Northern Mobile Unit investigated the case that Wang, **, the owner of Tai * Tech. Co., was involved in loan frauds of over \$340,000,000.
2007.10.19	Securities and Futures Bureau held the Lecture of Introduction to Money Laundry Preventive Regulations and Cases; 2 officers of the Bureau took part.
2007.10.22	Mr. Alfredo S. Lim, City Mayor of Manila, Philippines, led an 8-member delegation to meet Director General Yeh.
2007.10.22	Central Mobile Unit investigated the case that Huang, **, the former chair of Chong * JenYeh Co., manipulated stock prices and received illegal revenues up to \$22,000,000.

Date	Event Abstract
2007.10.23 2007.10.26	Securities and Futures Institute held the 37 th Symposium for Law and Cases in Securities and Futures Market; 5 officers of the Bureau took part.
2007.10.29 2007.10.31	The Bureau of Animal and Plant Health Inspection and Quarantine, Council of Agriculture held the Symposium for Animal and Plant Medicine and Slaughter Health Management; 10 officers of the Bureau attended.
2007.10.30	Taipei City Field Office investigated the case that Hsu, **, manipulated the stock prices of Nan * Information Co.
2007.11.01	Taipei City Field Office investigated the case that Ho, **, the owner of Taiwan Hsin * Leather Industrial Co., violated the Trademark Act, and seized around 6,000 counterfeit bags.
2007.11.05	Director Li of the Economic Crime Prevention Center conducted his special working report about the mission of the Center for 18 middle and high level officials and legal secretaries from Vietnam, Thailand, Philippines, and Cambodia at the 2007 Training Session for Cross-Country Crime Investigation.
2007.11.05	Following the order from the Team of Stabilizing Consumer Prices of the Executive Yuan, the Bureau called for the special meeting of Enhancing Investigation in Stocking, Soaring, and Monopolizing Consumer Prices and required the Economic Crime Prevention Center to set up a special investigation group.
2007.11.06 2007.11.09	Securities and Futures Institute held the 38 th Symposium for Law and Cases in Securities and Futures Market; 5 officers of the Bureau took part.
2007.11.15	Central Mobile Unit investigated the case that Chen, **, the chair of Lien * Tech. Co., manipulated stock prices.
2007.11.15	Tainan County Field Office investigated the case that Chen, **, the former manger of Yan * Branch of the Dee* Bank, was involved in breach of trust.
2007.11.22	Ms. Helen Alvin, the international affair official of Legal Services, European Union Executive Commission visited the Bureau.
2007.11.22	Securities and Futures Bureau held the Lecture of Trust Enterprise Act; 3 officers of the Bureau took part.

Date	Event Abstract
2007.11.26	Mr. Donald Shruhan, Jr, the Senior Regional Director for Global Security, Pfizer Inc., led a 6-member delegation to visit Director General Yeh.
2007.11.27	Taipei City Field Office investigated the case that Tseng, **, the owner of King * Lung Tech Co., manipulated the prices of Chuan * Co stocks.
2007.11.29	Taipei City Field Office investigated the case that Su, ** counterfeited the valuable securities, and seized 1 million dollars in Deutsch Marks and 200 thousand dollars in counterfeit US bonds.
2007.11.30	Conducted the Symposium about “The Economic Crimes by Public Company Proceeding Asset Emptying Out through Ready-made Companies”.
2007.11.30	Taipei City Field Office investigated the case that Wang, **, the owner of Hen* Enterprise Co., sold gasoline mixed with methanol and was involved in fraud.
2007.12.06	Chiayi City Field Office investigated the case that Ma, **, the chair of Oh * Mei International Co., was involved in violating the Pharmaceutical Affairs Act, and seized 125,000 pills of counterfeit medicine MEGA and 6,200 pills of SYNEPHRINE.
2007.12.12	Mr. Louis Garthe, the deputy director of U.S. Immigration and Customs Enforcement (ICE) Hong Kong Office, called on Director General Yeh and the Economic Crime Prevention Center.
2007.12.13	Held the 71 st meeting of “Apprehending Fugitive Economic Criminals Coordination Task Force”.
2007.12.13 2007.12.14	National Treasury Agency, Ministry of Finance conducted ‘2007 Meeting for Seizing Inferior Private-Made Liquor and Tobacco’; 2 officers of the Bureau participated.
2007.12.18	The Industrial Development Bureau, Ministry of Economic Affairs conducted ‘2007 International Symposium for Intellectual Property Evaluation’; 1 officer of the Bureau participated.
2007.12.19	Executing the special task for Enhancing Investigation in Stocking, Soaring, and Monopolizing Consumer Prices, there have been 263 cases collected, and 32 cases have had seizures from November 5, 2007 to December 19, 2007.
2007.12.20	The 110 th “Inter-agency Meeting on the Execution of Economic Crime Prevention” was held.

Date	Event Abstract
2007.12.21	Securities and Futures Bureau held the Lecture of Facing the Challenges of National Hazards in Taiwan; 5 officers of the Bureau took part.
2007.12.24 2007.12.28	Examination Bureau, Financial Supervisory Committee held the 2007 Year-End Training for Financial Examination Personnel; 1 officer of the Bureau participated.
2007.12.26	Maritime Field Office investigated the case that Lu, ** violated the Pharmaceutical Affairs Act, and seized a total of 262,630 pills of counterfeit medicine, such as Viagra, Cialis, and Reductil.