



**THE PREVENTION AND INVESTIGATION OF
ECONOMIC CRIME YEARBOOK, 2009**

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

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Direct all inquires to:

Economic Crime Prevention Division
The Investigation Bureau, Ministry of Justice
74 Zhonghua Rd., Xindian City,
Taipei County, Taiwan 23149
Republic of China
Tel: (886) 2-29112241 Ext.3910—6
Fax: (886) 2-29115040
HTTP://www.mjib.gov.tw

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Foreword

The impact and influence of the global financial tsunami caused Taiwan's economy to suffer significant setbacks and tax revenue reductions, a situation that persevered until the second half of 2009, when a growth occurred in high-tech industry exports. This sudden growth, widely attributed to the joints efforts of governmental and non-governmental circles, led to a gradual stabilization of domestic markets, allowing Taiwan to successfully begin an upward trend. However, just as the government strived to recover the economy, Typhoon Morakot, and then the H1N1 flu, hit Taiwan one after another, causing severe damages to the lives and properties of the public, which in turn, resulted in social problems in disaster relief and national health issues. In addition, a seemingly endless stream of telephone frauds cases resulted in serious public grievances demanding solutions. The duties of this Bureau are to investigate major economic crimes, maintain domestic economic development, therefore, to safeguard the rights of the public, focus on the crackdown on illegal economic activities, and quell public discontent have become our unavoidable responsibilities.

In 2009, the total number of both economic and general crime cases investigated by the Bureau was 1,058 cases, 3,136 suspects and involved an amount reaching \$139.9 billion. Among those cases, 117 cases involved telephone fraud, which accounted for 10% of all cases transferred to the prosecutors' offices. In the future, the Bureau will continue to uncover and investigate major criminal cases to protect the rights and benefits of the public. In response to various types of cross-border crimes stemming from expanded cross-strait exchange, the government authorized the Bureau to participate in the signing of the "Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement", which establishes a contact mechanism to formally begin an "exchange of criminal intelligence," "cooperative investigations of criminal cases," "assistance in the pursuit and repatriation of criminal offenders and suspects," and "mutual visits" with relevant law enforcement departments in Mainland China. The objective of such a consensus and cooperation between law enforcement officers in Taiwan and Mainland China will be effective in helping investigations of cross-border crimes, and actively in pursuit of major economic crime fugitives.

The Economic Crime Prevention Division of the Bureau continually cooperates with the Ministry of Justice to promote the “Three-Grade Licensure System”, which is a project for the investigation of major economic crimes, that starts with the recruitment and relevant training of internal staffs and field agents. Currently, 238 colleagues have obtained certificates and training in order to pursue the perpetrators of major financial and economic crimes. Moreover, in order to implement the instructions of Premier Wu, of the Executive Yuan, Republic of China, taken from the Public Safety Meeting of November 2009, which stated that, “the seizure of illicit proceeds of crimes shall be expanded to crimes related to fraud syndicates and adulterated foods cases in order to eliminate the sources of funding for their survival and development.” The Bureau has requested that both internal staffs and field agents are committed to tracing the flows of the illicit proceeds of crimes, and through the investigation of such crimes, judiciously seize all funds according to the law.

This yearbook is an overview of the Bureau’s work in the prevention and deterrence of economic crimes in 2009. It contains statistics, explanatory notes, case reports, and comparative analysis. We sincerely invite your comments and continuing supervision to assist the Bureau’s work to continue progressing.

A handwritten signature in black ink, reading "Wu Ying". The characters are stylized and fluid, typical of a personal signature.

Ying Wu
Director General
Ministry of Justice
Investigation Bureau
June 2010

Editorial Notes

1. Editor's goal

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

2. Contents

- (1) The yearbook consists of five parts: Part One briefly introduces the organization structure; Part Two presents an overview of our work in 2009; Part Three analyzes criminal condition and characters; Part Four is an orientation of the future operations; Part Five presents a chronicle of events in 2009. To present a complete overview of anti-economic crime efforts, this book also contains tables, graphs and figures (percentage and change rates), pertinent to the statistics and analyses for various types of offenses in the past and predicts the future trends of crimes.
- (2) Figures in this yearbook are compilations of data on the economic crimes related investigation and prevention work performed by the MJIB in last year. Should there be any discrepancy from previously published statistics; the data provided in this yearbook shall take precedence.

3. Annotations:

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

— means no data or data unknown.

NA means calculation not available.

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

(6) 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.

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

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Part One

Organization Overview



I. Authority and Basis of Establishment

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

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

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

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

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

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

II. Overview of the Organization and Business

The Economic Crime Prevention Division is in charge of the prevention of economic and general crimes, and supervises over the field offices/stations² and regional mobile task forces in undertaking the investigative

² According to the Letter of Fa-Ren-Tze-Di#0981303473 issued by the Ministry of Justice on October 1, 2009, the “MJIB Organizational Ordinance for County and City Field Offices” is renamed as the “MJIB Organizational Ordinance for County, City, and Marine Affairs Field Offices”; the “Mariners Field Office” is renamed as the “Marine Affairs Field Office”; the Northern, Central, Southern, and Eastern Mobile Units are renamed as Northern, Central, Southern, and Eastern Mobile Stations; the “National Security Maintenance Division Investigation Taskforce” is renamed as “National Security Work Station”; the title “Investigator” in field office is renamed as “Investigation Officer”; the above amendments became effective on October 3, 2009.

and preventive work. Its scope of work includes information gathering, research and compilation in association with economic and general crimes as well as prevention and investigation of crimes.

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

- (i) Planning, directing, coordinating, and evaluating preventive measures for serious economic crimes;
- (ii) Planning and executing preventive approaches for serious economic crimes;
- (iii) Investigating, and directing and evaluating investigation for serious economic crimes;
- (iv) Comprehensive business for international criminal affairs and seizing apprehension of fugitives abroad;

- (v) Secretarial business for cooperation of cross-strait crime fighting;
- (vi) Information exchange and cooperative investigation for cross-strait economic crime fighting;
- (vii) Editing the Yearbook and working handbooks, and data filing and management;
- (viii) Other relevant prevention of economic crimes.

III. MJIB Recognition Guidelines for Serious Economic Crimes

To keep in line with the socioeconomic conditions and the trend of criminal activities, the Offenses of Economic Crime and Criteria for Determination has undergone several amendments³ 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

³ At the time when the Ministry of Justice enacted the “Offenses of Economic Crime and Criteria for Determination” on October 17, 1980 per letter (69) Chien Tzu-#4531, there were no restrictions on the number of victims or dollar amount involved. In view of the socioeconomic situation, amended the Criteria on September 4, 1987 per letter (76) Chien Tzu-#10404 to define the scope of economic crime and included the provisions on number of victims, dollar amount involved and damage of interests provided in the law or protected by the law. In conjunction with the implementation of Fair Trade Act, incorporated violation of Fair Trade Act in the definition per letter (81) Chien Tzu -#19062 on December 22, 1992. Subsequently on October 8, 1994 as a move to materialize determination of the government on intellectual property protection, reinforce the insurance system and keep in step with the newly implemented Foreign Futures Trading Act, incorporated into the definitions violation of Copyright Act, violation of Foreign Futures Trading Act and illegal operation of insurance or like-kind business per letter (83) Chien Tzu -#21892.

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.

In 2004, the Bureau drafted the Recognition Guidelines for Serious Economic Crimes, which was in practice until the end of 2008. In order to maintain the order of market trading, increase the transparency of information, and protect the interests of investors and economic minorities, augmentations such as protecting investors, traders, and creditors have been incorporated, while some penalties that did not correspond to current status have been revised or removed⁴ for the convenience of the Bureau to enforce prevention work of economic crimes. Therefore, the Recognition Guidelines for Serious Economic Crimes was revised and approved by Ministry of Justice January 7, 2009. The key points of the Guidelines are stated as follows:

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

- A. Offenses as stipulated in Articles 339 of Criminal Code, and Articles 154 and 155 of Bankruptcy Act;
- B. Offenses as stipulated in Articles 335 and 336 of Criminal Code;
- C. Offenses as stipulated in Article of 342 of Criminal Code;
- D. Offenses as stipulated in Article 344 of Criminal Code.

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

- A. For Public Prosecutors Office of Keelung, Taipei, Panchiao, Shilin, Taoyuan, Taichung, Tainan, and Kaohsiung District Court, where the number of victims reaches

⁴ The punishment towards serial criminals in Article 56 of Criminal Code has been removed on February 2, 2005. As for relevant crimes in these guidelines, Article 340 and 345 of Criminal Code, Article 8 of Punishment of Smuggling Act, and Article 94 of Copyright Act have also been removed. And the augmentations include: Article 344 of Criminal Code, Article 15 and 16 of Futures Trading Act, Article 51 of Trust Enterprise Act, Article 105 to 109 of Securities Investment Trust and Consulting Act, Article 38 of Securities Investor and Protection Act, and Article 148 and Paragraph 1 of Article 149 of Consumer Insolvency Proceedings. In addition, the original Article 52 of Financial Holding Company Act has been changed to Paragraph 1 of Article 58; the original Paragraph 2 of Article 168 of Insurance Act has been changed to Paragraph 5 of Article 168. Article 53 of Trust Enterprise Act has been revised to an administrative penalty and has to be removed.

over 50, or the dollar amount involved exceeds \$20,000,000.

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

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

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

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

- A. Offenses as stipulated in Articles 195 and 196 of Criminal Code, and in Article 3 of Act Governing the Punishment for Damaging National Currency;
 B. Offenses as stipulated by Articles 201 and 201-1 of Criminal Code;
 C. Offenses as stipulated in Articles 339-1 to 339-3 of Criminal Code;

- D. Offenses as stipulated in Articles 81 and 82 of Trademark Act, and in Articles 91, 92 and Article 94 of Copyright Act;
 E. Offenses as stipulated in Articles 171 and 174 of Securities & Exchange Act;
 F. Offenses as stipulated in Articles 112 to Article 116 of Futures Trading Law;
 G. Offenses as stipulated in Paragraph 2, Article 35 of Fair Trade Act;
 H. Offenses as stipulated in Articles 125, 125-2, 125-3, 127-1, and in 127-2 of Banking Act;
 I. Offenses as stipulated in Articles 57, 57-1 and Paragraph 1 of Article 58 of Financial Holding Company Act;
 J. Offenses as stipulated in Articles 58, 58-1, 59 and 60 of Act Governing Bills Finance Business;
 K. Offenses as stipulated in Articles 48, 48-1, 48-2, 49, 50 and 51 of Trust Enterprise Act;
 L. Offenses as stipulated in Articles 38-2, 38-3, 39 and 40 of Credit Cooperative Act;
 M. Offenses as stipulated in Articles 167, Paragraph 5 of Article 168, Articles 168-2 and 172-1 of Insurance Law;
 N. Offenses as stipulated in Articles 39, 40, 44 and 45 of Agricultural Finance Act;
 O. Offenses as stipulated in Articles 108 and 109 of Financial Asset Securitization Act;
 P. Offenses as stipulated in Article 105 to 109 of Securities Investment Trust and Consulting Act;
 Q. Offenses as stipulated in Article 38 of Securities Investor Protection Act;
 R. Offenses as stipulated in Article 148 and

Paragraph 1 of Article 149 of Consumer
Insolvency Proceedings

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

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

Part Two

Performance Overview



I. Strengthening the Functions of Inter-agency Meetings

Three Inter-agency Meetings on the Execution of Economic Crime Prevention were held on April 23, August 27, and December 24, 2009 with the following important tasks accomplished:

(I) Measures Taken for Prevention of Economic Crimes

A. Fair Trade Commission, Executive Yuan

The Commission handled 5 cases involving violations of the Fair Trade Act forwarded by the MJIB.

B. Banking Bureau, Financial Supervisory Commission, Executive Yuan

(a) To correct the misuse of credit cards, which have been deviated from their intended use as a payment instrument, and to avoid excessive deviations of credit cards becoming a financial intermediation tool, on October 2, 2008, the MJIB requested that credit card issuers do not market the cash advance function of their credit cards. In addition, the Banking Bureau has examined and adjusted the strength of relevant managerial regulations regarding the cash advance function of credit cards, which purpose is to gradually weaken their role as a financial intermediation tool, and regain the traditional function of a

payment tool.

(b) To improve unreasonable credit card interest rates, credit card issuers have been asked to implement differential pricing of credit card interest rates, authentically calculate capital and operating costs, and make reasonable evaluation regarding the credit risks of card holders, which would assist to render more reasonable pricing of interest rates.

(c) To effectively prevent fraud syndicates from continuously pretending to be government authorities (institutions), the Banking Bureau submitted an official letter to The Bankers Association of the Republic of China, and The National Federation of Credit Co-operatives R.O.C. on July 28, 2009, which served to notify the members of the strengthened external clarification and propaganda.

(d) On August 11, 2009, the Banking Bureau requested all financial institutions to cooperate with counter-terrorism works conducted by major international competitions during the 2009 Taipei Deaflympics, and called upon all institutions to strictly handle all financial affairs according to the relevant regulations of the Money Laundering Control Act.

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

(a) To enforce precaution against

investment disputes derived from illegal offshore fund sales organizations, investors were aggressively led to acquaint themselves with relevant general observational senses and methods through news reports and bulletin boards. The Securities and Futures Bureau also requested relevant units, such as the Security Investment Trust & Consulting Association of the R.O.C., purchase keyword access for portal sites (e.g. Google and Yahoo), posted as warning messages to remind investors during specific keyword searches (e.g. fund).

- (b) The Securities and Futures Bureau immediately transferred all cases of relevant violations to the investigation and prosecution authorities, and issued instructions that encouraged the submission of specific facts, and all evidences concerning the illegal sale of funds, while respectfully reminding the industry that diligence on their part serves to protect their rights and benefits by maintaining market order.

D. Insurance Bureau, Financial Supervisory Commission, Executive Yuan

- (a) Education of law enforcement officials, regarding the details of popular types of insurance fraud cases, and instructing them to remain vigilant in their search for evidences of such activities when encountering industry

problems, and recognize and identify such methods for the prevention and solution of such types of crimes. The Insurance Bureau coordinated with the Taiwan Insurance Institute, the Insurance Anti-fraud Institute of the R.O.C., the Life Insurance Association of the R.O.C., and the Non-life Insurance Association of the R.O.C. to hold the “2009 Symposium on Insurance Crime Prevention,” hosted by the Wurih Education and Training Center of the Nan Shan Life Insurance Co. from October 28 to October 30, 2009. The participants included prosecutors, judges, MJIB officers, officers of the Criminal Investigation Bureaus, and insurance claims supervisors of the insurance industry. The symposium provided participants of different backgrounds with an opportunity to exchange practical experiences; moreover, the participation of insurance claims supervisors explained the practical operations of insurance and its problems, thus, enabling further improvements of investigation and judgment of insurance crime cases in the future.

- (b) This new type of crime, the operational sale of insurable products (commonly known as an underground insurance policy or offshore insurance policy) by authorized insurers within a country, is a deliberate evasion of

the law, which uses the operating characteristics of investment-oriented policies in connection with offshore fund investment. According to Item 2 of Article 136 of the Insurance Law, “Non-insurers cannot operate insurance business or that similar to it.” Those who violate the regulations above will be sentenced to three to ten years of imprisonment, or fined \$10 to 200 million, as stipulated in Item 1 of Article 167 of the Insurance Law. In terms of juridical practice, the principle for identification of the operations of insurers who sell insurance products in this country, without permission of the Financial Supervisory Commission, is roughly relied on “The so-called operation shall be observed from the whole business behavior, rather than being simply identified by whether the location for the completion of the signing is in our country. All business contacts, discussions, communications price negotiations, price payments, remittances, and after-sale services occurring in our country shall be regarded as part of a whole” (92-Shang-Yi-Letter-No. 2625 issued by Taiwan High Court). Such a new type of crime concerning illegal acts of insurance sales or similar products by insurance brokers shall be prosecuted for violation of regulation Item 2 of Article 136 of the Insurance Law, meant to combat such illegal acts,

maintain domestic insurance discipline, and protect the insurance rights of the public.

- E. Examination Bureau, Financial Supervisory Commission, Executive Yuan
The Bureau cooperated with other agencies in various tasks of economic crime prevention.
- F. Bureau of Consular Affairs (BOCA), Ministry of Foreign Affairs (MOFA)
- (a) The Bureau has regularly updated files of information on lost passports, and provides them to MJIB for reference.
 - (b) The Bureau has continuously provided information on fugitives, and asked representative offices abroad to assist in apprehending them.
 - (c) The Bureau has asked representative offices abroad to make efforts to track the “Wanted Criminals of Serious Cases”, as announced by the Executive Yuan.
 - (d) The Bureau assisted in tracking fugitives in 4 cases, with 4 fugitives being repatriated.
 - (e) To promote the idea of passport applications and picture taking being conducted by the applicant in person and on-site, the Bureau held a public hearing on November 12, 2009, where operators of the photography industry suggested that the on-site picture-taking would severely affect their livelihood, and were strongly opposed

to such an idea. Moreover, as most countries have not adopted on-site picture taking for passport applications, the implementation of such an idea was temporarily postponed, and only the change of passport applications being conducted in person was adopted. As for the addition of fingerprints stored as a second biological feature for biometrics passports, as it caused considerable controversy and required stipulations of law, it was shelved for future discussions the public, and only the mechanism for information safety management was moved forward.

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

The Department processed the following cases in 2008:

- (a) 3,0348 companies were established and registered.
- (b) 16,293 companies changed registration for increased capital.
- (c) 3,429 companies changed registration for capital reduction.
- (d) 31,073 companies were dissolved, bankrupt, and registration revoked or annulled.

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

- (a) The United States Trade Representative (USTR) announced the results of the 2008 Special 301 “Out-of-cycle Reviews” on January 17, 2009, and

expelled Taiwan from the “Watch List.” It was Taiwan’s first time to be expelled from the Special 301 Watch List since September 1920 (used to be expelled from the list during 1996-1997). The reason why Taiwan was expelled from the Special 301 Watch List was owed to the cooperation of the legislative, judiciary, and executive departments. In addition, the Intellectual Property Office has reported the “Implementation of Protection of Intellectual Property Rights Program (2009-2011).” It is believed that improved environments for the protection of Intellectual Property Rights will be constructed in the future.

- (b) The Office held the “2009 1st Coordination Meeting on the Protection of Intellectual Property Rights” on July 28, 2009. The Ministry of Education was scheduled to report the “Results of the Implementation of 2008 Protection of Intellectual Property Rights Program on Campus,” and the Intellectual Property office was scheduled to give two reports on specific topics, namely, “the circumstances of the interim reviews and digital video conferences (DVC) on Intellectual Property Rights, as held by the European Commission Trade Department,” in order to review the “implementation results of the Protection of Intellectual Property

- Rights Program” in the first half of 2009.
- (c) The Office hosted three “Seminars on Investigation on Counterfeit Products for Police Officers,” held at the Professional Training Center of the Ministry of Economic Affairs from August 24 to September 11, 2009, with the goal of increasing the professional knowledge and skills of county and city police officers for investigations into counterfeit products. The duration of each seminar was 5 days, with 127 police officers participating in the seminars.
- (d) The Office cooperated with the European Commission to hold the “2009 Symposium on the European Geographic Indications and Trademarks in Taiwan,” “the Second Digital Video Conference (DVC) on the Working Group for European Intellectual Property Rights in Taiwan,” and “Expert Symposium on European New Design Patent in Taiwan.”
- I. Department of Prosecutorial Affairs, Ministry of Justice (MOJ)
- (a) When Typhoon Morakot caused serious landfall on August 8, 2009, Taiwan suffered severe disasters and casualties. All investigators and prosecuting authorities should notice possible criminal cases derived from disasters, such as the economic crimes of any attempting to increase prices and fraudulent claims to relief funds. To effectively gather statistics and trace the handling status of the cases above, the Department classifies cases associated with the typhoon disaster as “Typhoon Morakot Cases,” and requests each district prosecutors office to cooperate with the management and registration of such types of cases.
- (b) The Department reported to Executive Yuan for approval to “strengthen the investigation and seizure of proceeds of crimes from corruption, malfeasance, major criminal crimes, and narcotics,” as the mid-term administrative plan for the Ministry of Justice (years 2009 to 2010) in August 2008. In addition, Premier Wu specifically indicated in the Public Safety Meeting in November 2009 that, the seizure of proceeds of crimes should be expanded to those from frauds and adulterations of food. To implement governmental policies, the Department requested the prosecuting authorities at all levels, namely, the Investigation Bureau, the National Police Agency, the Ministry of the Interior, and other judiciary authorities to strengthen the processes for the seizure of proceeds of crimes when investigating the aforementioned criminal cases.
- (c) According to media reports, fraud cases take first place on the top-ten public grievances. The Executive

Yuan's coordination meeting on "counter-phone fraud" also included, "the seizure and pursuit of illicit proceeds of frauds" as one of its issues. One of the current focuses for fraud prevention of prosecuting and police departments is to effectively seize the proceeds of crimes from fraud syndicates.

J. Taiwan High Public Prosecutors Office

- (a) In 2009, 254 cases of economic crime cases were investigated, with 237 cases closed.
- (b) The Office is responsible for coordinating agencies to enforce each preventative work regarding economic crimes.

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

- (a) On February 18, 2009, the Agency submitted an official letter to all police authorities, requesting they follow the "Project of the Investigation on Illegal Wiretapping among Non-governmental Circles," and held three national seminars from March 4 to March 6, 2009 to facilitate a follow-up execution of a clampdown and raids. In the future, the Agency will control the investigation circumstances of each unit through a contact window.
- (b) Under the framework of "Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement," the

Agency will cooperate with Mainland public safety units to construct institutionalized contact channels, expand the scope of cooperation, fight against major crime, cooperate on joint case investigations, establish a closer cooperative relationship with cross-strait law enforcement officers, effectively improve the efficacy of fighting cross-strait cross-border crimes, and maintain the safety of public life and property.

- (c) Strengthening the investigation on cases of high interest by underground banks and the violent debt collection methods of private debt collection agencies. From January to June 2009, the Agency held six "Jackal Seizure Projects," the duration of each lasted 3 days. In addition, the Agency implemented concurrent national raids, with good effect. The Agency will continue implementing "Jackal Seizure Projects" and conduct in-depth investigations on organized crime cases in order to prevent the revival of illegal operators.
- (d) In response to a possible upward trend of agricultural and livestock products and necessities, after the landfall of Typhoon Morakot, the Agency submitted an official letter to all police authorities on August 14 and 17, 2009, in accordance with the official letter from the Fair Trade Commission, Executive Yuan, which requested

they closely collect all intelligence (information) and strengthen the investigation of illegal affairs. In addition, the Agency submitted an official letter of, “Implementation plan for assisting in stabilizing prices after the landfall of Typhoon Morakot” on August 25, which strictly stipulated the management of all violations. Upon the discovery of cases of any violation of laws, the Agency will immediately contact and request the staff of the competent authorities to identify the violation, and enforce a clamp down in strict accordance with the law, in order to stabilize the domestic economy.

- (e) To effectively curb telecom frauds, the Agency aggressively mobilized all police authorities to enforce anti-fraud works, and strive for investigations of frauds. In addition, the Agency contacted units, such as the Ministry of Justice, the National Communications Commission, the Executive Yuan, the Financial Supervisory Commission, the Consumer Protection Commission, the Bureau of Agricultural Finance, the Council of Agriculture, the Department of Posts and Telecommunications, the Ministry of Communications, the Taiwan High Prosecutors Office, the Government Information Office, the Ministry of Education, and Chunghwa Post Co. to jointly organize an inter-agency “Counter-Fraud Joint Platform Meeting.” To date, the 13th meeting

has been held to continuously conduct inter-agency discussions on the recently increased fraud cases, and collects the anti-fraud competences of each unit. Furthermore, the Agency held a “Telecommunications Technical Advisory Group Meeting” to propose solutions to telecom frauds. On April 1, 2009, the Agency opened an “Anti-fraud Information Site” to provide advocacy for the prevention of various types of the latest frauds, the information on management procedures, and announcements of the latest fraud news, provided the public with a FAQ section for reference, and combines current systems with newly added network reporting functions in order to expand the service scope of police officers.

- (f) As for the poll on “the top ten public grievances,” as conducted by Research and Development, and the Evaluation Commission, the section concerning “excessive phone and network frauds” is now included in the program for “Improving Public Life.” As for the establishment of anti-fraud works, the public care most about the “Anti-fraud project.” The Agency will continuously promote the advocacy of anti-fraud works, improve the public anti-fraud immunity, strengthen police officers’ anti-fraud competency, aggressively investigate fraud cases committed by fraud syndicates, decrease the public’s

losses owing to frauds, protect the safety of the public's property, and facilitate the effects of the elimination of public grievances and defects and increase in benefits.

L. National Immigration Agency, Ministry of the Interior

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

- (a) 200 security cases were listed
- (b) 369 security cases were captured.

M. Investigation Bureau, Ministry of Justice (MJIB)

(a) In response to the expanded cross-strait exchange, the Bureau submitted a notification letter to its field stations on January 22, 2009, aimed at maintaining the safety of domestic foods, and strengthen intelligence collection regarding warning signals for the prevention of Mainland altered foods being imported to Taiwan.

(b) In response to the potential continuous expansion of the H1N1 epidemic, which may result widespread panic by the public to purchase epidemic prevention devices, the Bureau submitted a notification letter to inform its field stations for early control of market supply and demand regarding the health and medical devices in areas under their control. In cases of an occurrence of illegal activities,

such as hoarding by manufactures and pharmacies, inflated prices of epidemic-prevention devices, or exaggeration of the efficacy of health foods, the field stations will immediately report to the Bureau.

(c) To prevent "illegal groups from colluding with the internal staff of listed companies to conduct fraudulent transactions," and to investigate such criminal cases, the Bureau invited experts and scholars to conduct a symposium on June 5, 2009.

(d) On June 25, 2009, the Bureau held the 74th meeting of a "coordination group for pursuing fugitive economic criminals," where 5 fugitive offenders were discussed, including how authorities could coordinate the pursuit and seizure of the offenders, who were hiding in Mainland China, upon the signing of the "Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement."

(e) In response to the floods and severe disasters in Southern Taiwan, as caused by Typhoon Morakot, the Bureau immediately informed its field stations on August 11, 2009, regarding an in-depth understanding of the supply situation of important commodities, necessities, and collection of specific criminal facts and evidences, such as hoarding, inflated prices, fraudulent claims for relief materials, and the sale of dead livestock, which were to be

- reported for inspection.
- (f) On November 18, 2009, to prevent “criminal cases derived from structured notes” and to investigate relevant crimes, the Bureau invited experts and scholars to hold a symposium.
- (g) On December 3, 2009, the Bureau held the 75th meeting on “coordination group for pursuing fugitive economic criminals.” A total of 6 fugitive criminals and five cases were mentioned and discussed in the meeting.
- (h) From January to December 2009, the Bureau arrested and repatriated (including the planning) 9 fugitive offenders of 8 criminal cases.
- (i) A total of 756 cases, with 2,829 suspects, involving \$135,081,509,750 were transferred to Prosecutors Offices, and the criminal cases included:
- (1) 63 cases of corporate corruptions, involving \$35,929,770,000, which include:
- ① Stock market crimes: 45 cases, \$30,180,430,000.
 - ② Financial crimes: 4 cases, \$497,880,000.
 - ③ E m b e z z l e m e n t o f corporate assets: 13 cases, \$4,886,960,000.
 - ④ Illegal private fund-raising: 1 case, \$364,500,000.
- (2) 166 cases of livelihood crimes, involving \$592,290,000, which include:

- ① Adulterated foods: 21 cases, \$43,930,000.
- ② Adulterated drugs: 72 cases, \$71,770,000, seized 1,789,001 tablets.
- ③ Adulterated daily necessities 59 cases, \$251,390,000.
- ④ Violent debt collection: 14 cases, \$225,200,000.
- ⑤ Telephone scam and intimidation: 117 cases, \$412,090,000.

(II) Suggestions offered by Inter-agency Meetings

- A. It is suggested to amend and establish relevant laws, such as the Code of Criminal Procedures, as soon as possible for use as a legal basis of measures taken against escaped persons, and hiding defendants of criminal cases.
- B. It is suggested that the judiciary police authorities properly handle all intelligence regarding escapes, and hiding escapees, in compliance with the “Guidelines for the Prevention of Escape, Hiding, and Contact with the Accused of Criminal Cases,” in order to avoid resulting in an obsession of judiciary police authorities and jeopardizing the safety of members of the public who report the cases.
- C. It is suggested to strengthen the investigation of cases of illegal collections and to amend Article 29-1 of the Banking Law regarding the establishment of

requirements for deposit-taking.

- D. Please provide certificates of non-prosecution, deferred prosecution, indictments, and court verdicts of criminal cases regarding passports from the Bureau of Consular Affairs, Ministry of Foreign Affairs.
- E. It is suggested to expand the preliminary criminal scope of money laundering offenses.

(III) Presentation of special reports

- A. “Strengthening strategies for creating mechanisms for the prevention of money laundering by financial institutions” (submitted by Banking Bureau, Financial Supervisory Commission).
- B. “The prevention of criminal cases concerning biometrics passports” (submitted by the Bureau of Consular Affairs).
- C. “Sharing experiences of system and policy implementations regarding intellectual property rights” (submitted by the Intellectual Property Office).

II. Prevention of Economic Crimes

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

the following actions to perform the works of crime prevention:

(I) Data Collection and Analysis

Our field offices collect all types of industrial and commercial information, which are subjected to analysis and filed for future reference. We also closely monitor businesses or individuals that engage in irregular practices, illicit activities, or have numerous occurrences of insufficient funds for written checks, in order to take preventive actions in a timely fashion. In 2009, we gathered intelligence on 1,830 cases of possible illegal activities, 100 cases of special investigations, and 61 cases of illicit or illegal activities and referred them to the competent authorities (see Tables 2.01 & 2.02 and Graph 2.01).

(II) Preparing Special Reports for Reference

- A. The Bureau produced special reports on the current social status, economic situation, irregular financial activities, new economic crime patterns, and large corporations and groups in financial or operating difficulties for the reference of government authorities to take preventive actions.
- B. The Bureau compiled and printed the “2008 Compilation of Special Reports”, which it distributed to field offices in order to improve professional knowledge and investigative techniques of the staffs.

Table 2.01 Statistics of Economic Crime Prevention Efforts in 2009

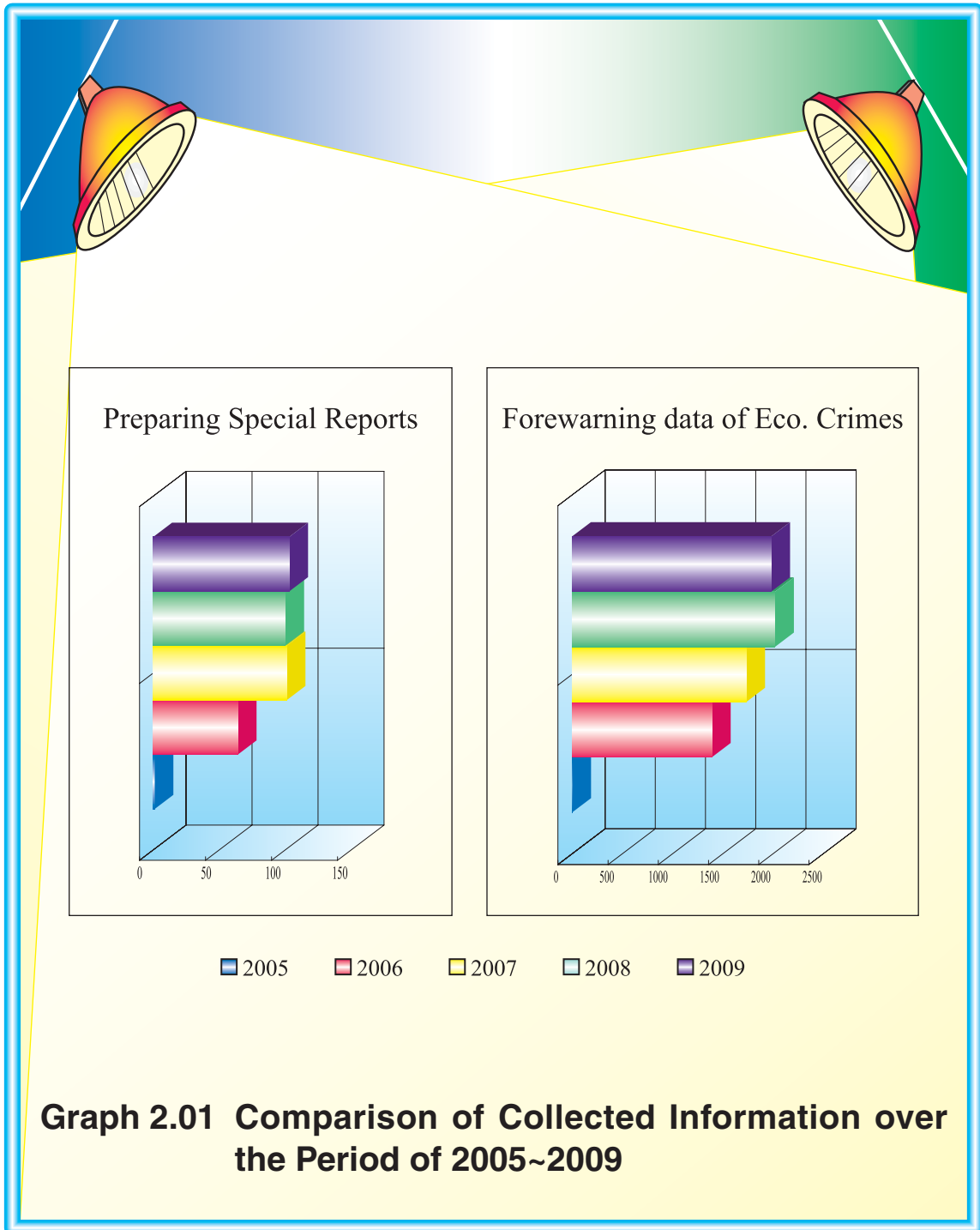
Unit: Case

Item Month	Collected Data				Preparing Special Reports	Administrative Correction on Irregular Activities	Symposium on the Prevention of Economic Crime (No. of times held)
	Forewarning Data of Economic Crimes						
	Collected & Reported	Adopted	Percent				
Total	1,830	1,732	94.64%	100	61	2	
Jan.	152	146	96.05%	2	3	0	
Feb.	191	184	96.34%	0	2	0	
Mar	148	139	93.92%	5	3	0	
Apr.	151	140	92.72%	23	6	0	
May	169	162	95.86%	11	7	0	
Jun.	145	140	96.55%	3	5	1	
Jul.	145	137	94.48%	5	6	0	
Aug.	146	137	93.84%	1	2	0	
Sep.	140	133	95.00%	6	3	0	
Oct.	187	176	94.12%	6	8	0	
Nov.	141	133	94.33%	37	8	1	
Dec.	115	105	91.30%	1	8	0	

Table 2.02 Statistics of Economic Crime Prevention Efforts over the Period of 2005 ~ 2009

Unit: Case

Item Year	Data Collected		Administrative Efforts Made to Correct Irregular Activities	Symposiums on the Prevention of Economic Crimes (No. of times held)
	Forewarning Data of Economic Crimes	Preparing Special Reports		
Total	8,862	468	322	10
2005	1,392	64	50	2
2006	1,734	101	82	2
2007	2,021	100	63	2
2008	1,983	103	66	2
2009	1,732	100	61	2



(III) Discovering Problems and Taking Preemptive Measures

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

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

The H1N1 epidemic broke out worldwide in April 2009, and in response to the potential continuous expansion of domestic epidemics, the supply of Tamiflu vaccine, and epidemic prevention devices, such as masks and drugs, which were unable to meet demands. The Bureau supervised all field units to strive for the collection of illegal facts and evidences, such as illegal hoarding by manufacturers and pharmacies, inflated prices of epidemic prevention devices, and the sale and exaggeration of the efficacy of health foods. A total of 18 pieces of relevant intelligence were collected. Moreover, Typhoon Morakot caused severe disasters to occur in Central and Southern Taiwan, and in order to prevent illegal behaviors derived from the flood, the Bureau supervised all field units to gain an

in-depth understanding of the situation in the area under their control, and to strengthen the collection of intelligence regarding illegal affairs, such as appropriation of relief materials, fraudulent fundraising, fraudulent claims to subsidy, hoarding, etc. A total of 53 pieces of relevant intelligence were collected.

(V) Notifying Competent Authorities for Administrative Actions

- A. Lin X, of the Yu X Pesticide Company, was fully aware that original packaging of pesticide products must not be unwrapped prior to being sold. However, Lin unwrapped the packages and divided the pesticides into sub-packages in order to sell 8 kinds of pesticides, such as Green Wonder, which was suspected of violating the Pesticide Control Act. The case was reported, and the Yunlin County Government assigned its staff to sample the finished products on July 30, 2008. The case was verified and sentenced to a fine of \$ 160,000 on April 7, 2009, according to law.
- B. A citizen of Changhua County, Yeh X, produced private wine without authorization, which was suspected of violating the Tobacco Alcohol Administration Act. The case was reported, and Changhua County Government assigned its staff on February 26, 2009 to locate the finished products of 768 liters of rice wine, 6400 liters of semi-finished products, and 1 distillery set. The case was

sentenced to a fine of \$3,003,600 on April 21, 2009, according to law.

- C. In June 2009, the Bai X Co. placed the advertisement in the X Daily News to sell products such as “green papaya enzyme” and “bitter gourd enzyme.” The content of the advertisement claimed that “The natural enemy of the obesity-enzyme gene ... taking the enzyme for 3 months will help lose 48 kg...,” which was exaggerated and false, and was suspected of violating the Food Sanitation Management Law. The case was referred to the Taichung City Government on October 2, 2009, and a fine of \$480,000 was imposed.
- D. Chang X Food Co. commissioned a milk processing plant of the X Farmers Association to produce and sell “You X Yogurt,” which contained carcinogenic substances, and was suspected of violating the Food Sanitation Management Law. The case was reported, and Health Department of Miaoli County Government assigned its staff to conduct an on-site inspection on October 14, 2009. It was verified in the examination that the “product label was false,” “dehydroacetic Acid preservative was illegally added,” and the “expiration date was falsified.” Fines of \$230,000 and \$150,000 were imposed on November 4, 2009.

(VI) Holding Symposiums and Collaboration on Economic Crime Prevention

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

- A. Symposium on “Prevention of Illegal Groups from Colluding with the Internal Staff of Listed Companies to Conduct Fraudulent Transactions and the Investigation on Criminal Cases:”

The symposium was held at Chunghua Building of the Bureau on June 5, 2009. Participants included: Nai-ping Yin (Professor, Department of Finance, National Chengchi University), Qing-jiao Chen (Chief Judge, Criminal Court, Taiwan High Court), Chi-hong Chiou (Prosecutor, Department of Prosecutorial Affairs), Yung-hsin Wang (Chairman, Securities and Futures Institute), Ching-yuan Gao (Executive Secretary, International Trade Commission), Ci-mei Hsu (Deputy Supervisor, Section 2, Taxation Agency), Bo-sheng Lin (Professor, Department of International Business, National Chengchi University), Feng-fu Chen (Attorney, Da Tung Attorneys at Law), Wang-yuan You (Chief of Risk Control, KPMG Taiwan), and Guo-hui Ning (Vice President, GreTai

Securities Market).

1. Background:

The crimes of the domestic stock market emerge one after another, and in recent years, the Bureau's investigations have found fraudulent transactions in the stock market, committed by illegal groups engaged in collusion with the internal staff of listed companies, or even acted as advisors, supervisors, or managers in the companies in order to conduct fraudulent transactions, falsify financial statements, empty the assets of companies, or manipulate stock prices. Such method is extremely professional, and such behavior is extremely abominable. Moreover, such illegal groups use similar method to assist the internal staff of many companies to engage in such crimes. In addition to being suspected of violating relevant laws, such as the Securities Exchange Act and Business Accounting Law, destroying transaction orders in the stock market, embezzling the property and rights of good investors, the financial problems derived from their fraudulent transactions also involve the evasion of relevant taxes. The symposium included an in-depth investigation of the current status, influences, method, and patterns of how illegal groups collude with the internal staff of listed companies to conduct fraudulent transactions, as well as the problems encountered and current system adopted for investigations by law enforcement authorities, and extended to the defects of laws, and a discussion of preventive strategies that could

be adopted. It is hoped that the conduct of fraudulent transactions and illegal collusion between such illegal groups and the internal staff of companies can be eliminated in order to protect the transaction orders of the capital market and protect the rights of investors.

2. Consensus reached:

- (1) Illegal groups engaged in collusion with the internal staffs of listed companies to conduct fraudulent transactions have extremely professional and innovative method, which can only be defeated thorough constant in-service training by judiciary and executives of the competent authorities that improve the professional knowledge and skills of investigating criminal cases in financial stock markets.
- (2) Each judiciary and executive competent authority shall integrate combat capabilities to construct a criminal database, which resources shall be shared to facilitate investigations of criminal activities committed by illegal groups.
- (3) There are numerous fraudulent companies and dummy accounts in Taiwan, which are established in order to falsify the financial records of listed companies. It is suggested to refer to the methods adopted abroad, namely, to amend and establish relevant laws to strengthen the deterrence of the growing popularity of the phenomenon of dummy accounts.

- (4) Because cross-market syndicate crime is constantly occurring, the Financial Supervisory Commission integrated combat capabilities, established group supervisory teams, and integrates and analyzes relevant intelligence that facilitates proper corrections prior to the formation of crimes, and then, transfers the information directly to the investigation offices of prosecuting authorities, immediately upon the discovery of such crimes.
- (5) The education of persons in charge of listed companies, and the accounting managers, in areas of law-abiding concepts shall be continued, and although the effects may be limited, such activities are necessary to strengthen advocacy.
- (6) The role of an accountant shall be brought into full play upon the discovery of illegal traces. It is suggested to refer to the method adopted abroad (the payment for accountants is from a fund established by the listed companies), which cuts off the relationship between account checking and payment among accountants and the companies that commission them.
- (7) As for illegal cases within the stock market, at present, Gre Tai Securities Market and the Securities and Futures Authority have strengthened the established model mechanisms of analysis. Competent authorities shall undertake the placement and monitoring of preventative mechanisms that facilitate advanced recognition of criminal activities.
- B. Symposium on “Prevention of Criminal Cases Derived from Structured Notes, and the Investigation on Criminal Cases”:
- The symposium was held at Chunghua Building of the Bureau on November 18, 2009. Participants included: Nai-ping Yin (Professor, Department of Finance, National Chengchi University), Qing-jiao Chen (Chief Judge, Criminal Court, Taiwan High Court), Wei-hsiang Tang (Prosecutor, Department of Prosecutorial Affairs), Ke-hua Ting (President, Securities and Futures Institute), Yung-hsin Wang (Chairman, Securities and Futures Institute), Tung-liang Lin (Deputy Chief, Banking Bureau, Financial Supervisory Commission), Da-yeh Huang (Director, Center for the Study of Banking and Finance, National Taiwan University), Feng-fu Chen (Attorney, Da Tung Attorneys at Law), Chun-cheng Tu (President, Securities Investment Trust & Consulting Association of R.O.C.), Yin-tang Li (Director, The Bankers Association of the R.O.C.) and Yan-hua Jin (Chief Legal Officer, ChinaTrust).
1. Background:
- In 2005, the domestic financial market was affected by incidences of structured notes, reoccurring in 2008, which resulted in the property loss of several domestic securities

investments, trust operators, financial banks, and a large number of good investors. In addition to the protest of the victims and their attempts to hold public protests, the Financial Supervisory Commission, Executive Yuan, Securities and Futures Investors Protection Center, and relevant associations made efforts to coordinate debt evaluations and settlements in order to avoid further aggravation of the situation. The processes induced several economic crimes, including frauds, treachery, and encroachment. In addition, some operators of investments and trusts were involved in violations of the Securities and Exchange Act, such as extraordinary transactions or treachery when dealing with affairs concerning structured notes. The symposium investigated the controversial status of the structured notes, their influence, any crimes derived, problems encountered by law enforcement authorities during investigations, current strategies for supervision and management, and the maturity of laws and regulations, and then, proposed methods for prevention, which effectively combated such financial crimes and protected the rights of good investors.

2. Consensus reached:

(1) Financial innovation is a trend of time, and although the designs of some financial products are not yet perfected, basically, the financial products themselves are innocent. In fact, the application methods of the users result in the crimes. Upon the occurrence of the structured note incident, competent

authorities shall not excessively supervise and manage financial products in order to avoid limiting financial innovation.

- (2) Competent authorities have begun to establish managerial regulations regarding structured noted products, and have achieved the desired preliminary effects. However, it remains necessary to maintain a reference of business habits, product attributes, and methods adopted abroad to protect the rights of good investors.
- (3) Competent authorities shall strengthen the implementation of the obligations of sellers to provide exact and full risk disclosures to buyers.
- (4) Sellers and financial institutions shall strengthen their understanding of financial products, and the sales training of wealth management staff. Competent authorities shall supervise such institutions by sampling in order to avoid improper or unprofessional selling behavior.
- (5) Regarding the sales of structured notes in domestic banks during the previously mentioned incidence; there were no illegal affairs involved. However, whether the sellers were involved in fraud and treachery depends on individual identification, as based on the facts of the cases.
- (6) Domestic investors shall improve self levels, choose financial products that meet self needs, and shall assume

bearable risk levels, rather than asking financial institutions or competent authorities to deal with any occurrences of mishaps.

- (7) Taiwan has adopted the management model of other countries, such as Japan and Korea, and froze the assets of Lehman Brothers Holdings. With respect to this part, competent authorities have prohibited the transfer of the funds of this company.
- (8) In addition to implementing the traditional Know Your Customer (KYC) concept, financial operators shall further implement Know Your Product (KYP), and Know Your Employee (KYE) in order to fully protect the rights of investors and avoid the occurrence of disputes and juridical litigation.
- (9) The legislation of the Financial Services Law shall be completed as soon as possible to provide more appropriate regulations regarding the sales of financial products, thus, strengthening the protection of investors.

III. Criminal investigations

In 2009, 2,870 cases were investigated (including 516 cases from 2008 that were not closed, and 2,354 new cases investigated). Among those, the investigations of 2,101 cases were completed, accounting for 73.21% of the total cases; 769 of the investigated cases were not completed, accounting for 26.79%. Among the cases where investigations were

completed, 1,049 cases (including tax evasion) were referred or sent to the responsible prosecutors' offices, accounting for 36.55% (see Table 2.03), of which, 756 cases were economic crimes, with 2,829 suspects and a monetary loss of \$135,081,579,750; 165 cases were general crimes, with 298 suspects and a monetary loss of \$3,535,175,238; 128 cases were tax evasion crimes, with fines of \$1,317,563,348 (see Tables 2.04, 2.05, 2.06, and 2.08, and Graphs 2.03 and 2.04).

(I) Economic crimes

In 2009, 756 cases were referred to prosecutors' offices, increased by 5.73% as compared to 715 cases in 2008; there were 2,829 suspects, decreased by 11.29% as compared to 3,189 suspects in 2008; the monetary loss was \$135,081,579,750, decreased by 6.95% as compared to \$145,163,735,569 in 2008. According to nature of the criminal offenses, the cases referred to public prosecutors offices are broken down as follows: (see Tables 2.04, 2.05, and 2.07, and Graph 2.02)

- Fraud: 291 cases, accounting for 38.49%, with 938 suspects, accounting for 33.16%.
- Misappropriation/embezzlement: 66 cases, accounting for 8.73%, with 112 suspects, accounting for 3.96%.
- Breach of trust: 24 cases, accounting for 3.17%, with 159 suspects, accounting for 5.62%
- Usury: 14 cases, accounting for 1.85%, with

Table 2.03 Comparison of Cases Investigated and Investigations Concluded in 2009

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 2009 (3)
	No. of Cases not Closed in 2008	No. of Cases Handled in 2009	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	516	2,354	1,049	784	312	725
Total	2,870		2,145			
Percent	17.98%	82.02%	36.55%	27.32%	10.87%	25.26%
	100%		74.74%			

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

Table 2.04 Statistics of Economic and General Crime Cases Referred to Public Prosecutors Office in 2008 and 2009

Type of Offenses		Year		2009			2008		
		No. of Cases	No. of Suspects	Amount Involved (NT\$)	No. of Cases	No. of Suspects	Amount Involved (NT\$)		
I. Economic Crimes	Total	756	2,829	135,081,579,750	715	3,189	145,163,735,569		
	Fraud	Subtotal	291	938	9,771,945,528	262	1,159	21,268,979,441	
		Fraudulent loan	13	59	1,118,406,094	21	225	1,935,747,822	
		Fraud in international trade	3	3	301,471,760	1	2	2,163,150	
		Fraudulent insolvency	5	13	945,427,517	5	10	264,224,171	
		Fraudulent closure of private loan association	9	12	152,879,500	9	11	275,807,000	
		Fraudulent real estate transaction	2	7	101,941,000	6	18	211,266,300	
		Fraudulent negotiable instrument	10	19	504,924,557	10	115	696,085,616	
		Fraudulent investment	31	79	3,356,517,828	19	65	1,607,630,686	
		Credit card fraud	0	0	0	1	1	50,626,978	
		Advertisement fraud	0	0	0	0	0	0	
		Fraudulent tax refund	1	2	12,695,405	2	4	4,243,963	
		Insurance fraud	6	43	173,242,209	4	51	11,606,325,663	
		Cyber fraud	7	22	52,893,148	3	7	863,585	
		Hospitalization fraud	24	236	282,681,110	17	138	162,807,780	
		New type of group fraud	101	234	339,401,403	89	262	1,242,879,652	
		Others	79	209	2,429,463,997	75	250	3,208,307,075	
		Embezzlement	Subtotal	66	112	2,256,900,947	51	101	1,881,047,753
			General embezzlement	12	18	850,135,917	10	17	186,439,012
			Embezzlement by public employees	13	16	226,675,271	5	10	63,524,222
			Embezzlement by employees of private enterprise	41	78	1,180,089,759	36	74	1,631,084,519
		Breach of trust	24	159	3,872,586,712	28	124	9,266,641,185	
		Usury	14	37	225,117,050	7	13	79,201,213	
		Smuggling	10	21	23,468,254	27	31	28,657,542	
		Violation of Tax Collection Act	60	718	21,339,115,437	72	988	41,707,894,987	
		Counterfeit	Subtotal	4	14	3,448,564,708	7	12	970,133,661
			Counterfeit of national currency	0	0	0	1	5	16,800
		Alternation of securities	4	14	3,448,564,708	6	7	970,116,861	
	Violation of Tobacco and Alcohol Administration Act	4	8	4,337,085	7	8	4,152,003		
	Violation of Banking Act	Subtotal	51	165	45,459,137,439	58	201	32,565,493,750	
		Illegal absorption of funds	12	63	5,371,103,925	6	41	5,321,561,344	
		Unauthorized operation of remittance & acceptance and others	39	102	40,088,033,514	52	160	27,243,932,406	

Table 2.04 (cont.)

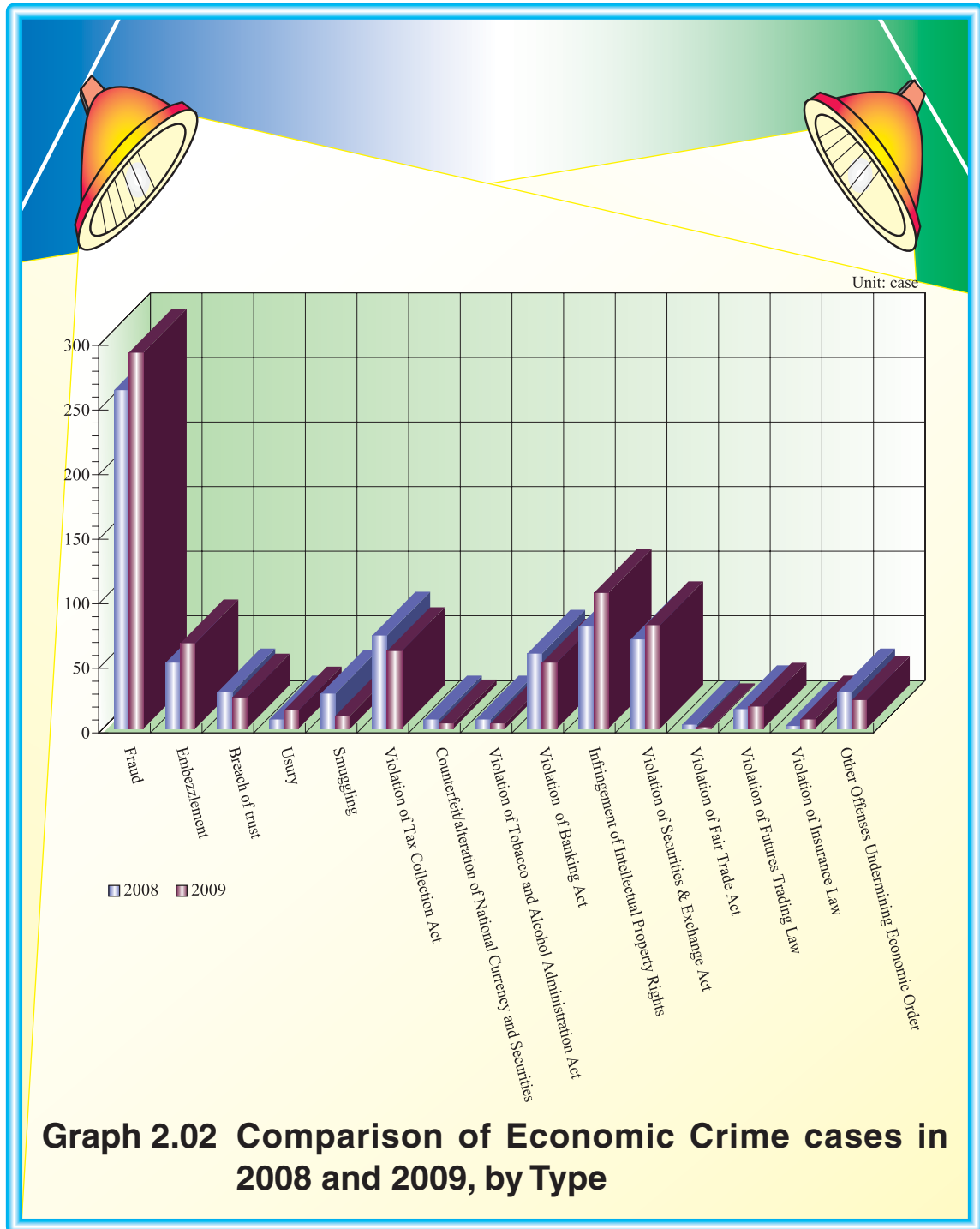
Infringement of Intellectual Property Rights	Subtotal	105	150	1,466,603,289	79	125	3,118,669,322
	Infringement of Trademark Act	74	89	272,636,673	60	89	337,033,845
	Violation of Copyright Act	30	60	1,193,952,016	19	36	2,781,635,477
	Others	1	1	4,600	0	0	0
	Violation of Securities & Exchange Act	80	323	38,782,411,372	69	295	27,063,396,409
	Violation of Fair Trade Act	1	1	1,340,000	3	9	43,969,600
	Violation of Futures Trading Law	17	52	1,287,762,558	15	57	2,868,701,730
	Violation of Insurance Law	7	15	3,116,255,543	2	5	341,250,000
Other offenses undermining economic order	Subtotal	22	116	4,013,973,828	28	61	3,955,546,973
	Violation of Wildlife Conservation Law	0	0	0	1	1	0
	Violation of Company Law	9	74	71,680,000	8	16	0
	Cyber crimes and computer hacking	6	14	0	4	5	0
	Others	7	28	3,942,293,828	15	39	3,955,546,973
II. General Crimes		165	298	3,535,175,238	153	313	1,297,646,433
Forgery of document		69	111	3,370,671,834	41	110	373,196,242
Other general crimes		92	182	136,153,404	112	203	924,450,191
III. Tax Evasion		128	0	1,317,563,348	211	0	1,381,847,733
IV. Tracking and apprehension of fugitives abroad		8	9	0	7	7	0
Tracking and apprehension		6	6	0	4	4	0
Fugitives surrendered through persuasion		2	3	0	3	3	0
Apprehension through joint efforts		0	0	0	0	0	0
V. International cooperation		1	0	0	0	0	0
Investigation of transnational crimes		0	0	0	0	0	0
Execution of the Agreement on Criminal Justice Cooperation		1	0	0	0	0	0
Total		1,058	3,136	139,934,318,336	1,086	3,509	147,843,229,735

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. 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 2008 and 2009

Year Type of Offense	2009				2008				Percent change	
	No. of Cases	No. of Suspects	Case Distribution*	Suspect Distribution*	No. of Cases	No. of Suspects	Case Distribution*	Suspect Distribution*	No. of Offenses (2008-2007)/2007	No. of Suspects (2008-2007)/2007
I. Economic Crimes	756	2,829	100.00%	100.00%	715	3,189	100.00%	100.00%	5.73%	-11.29%
Fraud	291	938	38.49%	33.16%	262	1,159	36.64%	36.34%	11.07%	-19.07%
Embezzlement	66	112	8.73%	3.96%	51	101	7.13%	3.17%	29.41%	10.89%
Breach of trust	24	159	3.17%	5.62%	28	124	3.92%	3.89%	-14.29%	28.23%
Usury	14	37	1.85%	1.31%	7	13	0.98%	0.41%	100.00%	184.62%
Smuggling	10	21	1.32%	0.74%	27	31	3.78%	0.97%	-62.96%	-32.26%
Violation of Tax Collection Act	60	718	7.94%	25.38%	72	988	10.07%	30.98%	-16.67%	-27.33%
Counterfeit/alteration of National Currency and Securities	4	14	0.53%	0.49%	7	12	0.98%	0.38%	-42.86%	16.67%
Violation of Tobacco and Alcohol Administration Act	4	8	0.53%	0.28%	7	8	0.98%	0.25%	-42.86%	0.00%
Violation of Banking Act	51	165	6.75%	5.83%	58	201	8.11%	6.30%	-12.07%	-17.91%
Infringement of Intellectual Property Rights	105	150	13.89%	5.30%	79	125	11.05%	3.92%	32.91%	20.00%
Violation of Securities & Exchange Act	80	323	10.58%	11.42%	69	295	9.65%	9.25%	15.94%	9.49%
Violation of Fair Trade Act	1	1	0.13%	0.04%	3	9	0.42%	0.28%	NA	NA
Violation of Futures Trading Law	17	52	2.25%	1.84%	15	57	2.10%	1.79%	13.33%	-8.77%
Violation of Insurance Law	7	15	0.93%	0.53%	2	5	0.28%	0.16%	250.00%	200.00%
Other Offenses Undermining Economic Order	22	116	2.91%	4.10%	28	61	3.92%	1.91%	-21.43%	90.16%
II. General Crimes	165	298	100.00%	100.00%	153	313	100.00%	100.00%	7.84%	-4.79%
Forgery of Documents	69	111	41.82%	37.25%	41	110	26.80%	35.14%	68.29%	0.91%
Other General Crimes	96	187	58.18%	62.75%	112	203	73.20%	64.86%	-14.29%	-7.88%
III. Tax Evasion	128	0	100.00%	NA	211	0	100.00%	NA	-39.34%	NA
IV. Tracking and Apprehension of Fugitives Abroad	8	9	100.00%	100.00%	7	7	100.00%	100.00%	14.29%	28.57%
Tracking	6	6	75.00%	66.67%	4	4	57.14%	57.14%	50.00%	50.00%
Persuasion	2	3	25.00%	33.33%	3	3	42.86%	42.86%	-33.33%	0.00%
Joint Efforts	0	0	0.00%	0.00%	0	0	0.00%	0.00%	NA	NA
V. International cooperation	1	0	100.00%	NA	0	0	NA	NA	NA	NA
Investigation of transnational crimes	0	0	0.00%	NA	0	0	NA	NA	NA	NA
Execution of the Agreement on Criminal Justice Cooperation	1	0	100.00%	NA	0	0	NA	NA	NA	NA

*: The denominator is total number of cases



Graph 2.02 Comparison of Economic Crime cases in 2008 and 2009, by Type

Table 2.06 Statistics of Cases and Suspects Referred to Public Prosecutors Office in 2009

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	1,049	3,127	139,934,318,336	756	2,829	135,081,579,750	165	298	3,535,175,238	128	1,317,563,348
Jan.	67	219	8,036,311,456	57	211	7,176,302,736	4	8	11,280,000	6	848,728,720
Feb.	69	254	11,572,614,807	54	234	11,539,316,161	12	20	32,840,000	3	458,646
Mar.	73	205	10,168,915,045	51	190	10,121,536,802	9	15	1,168,670	13	46,209,573
Apr.	81	207	5,141,663,224	58	187	5,054,178,017	13	20	21,925,116	10	65,560,091
May	79	248	6,670,139,403	63	223	6,636,505,706	13	25	25,485,436	3	8,148,261
Jun.	129	270	11,114,524,316	86	239	11,067,194,288	17	31	42,305,800	26	5,024,228
Jul.	143	407	30,686,380,896	75	375	30,659,960,018	18	32	4,723,872	50	21,697,006
Aug.	70	220	14,030,678,943	59	209	14,010,964,932	9	11	261,550	2	19,452,461
Sep.	117	254	8,671,964,331	88	207	8,630,187,419	23	47	11,380	6	41,765,532
Oct.	64	443	11,605,787,134	51	421	11,477,413,050	12	22	29,323,088	1	99,050,996
Nov.	47	99	7,675,985,909	34	68	4,320,935,583	13	31	3,355,050,326	0	0
Dec.	110	301	14,559,352,872	80	265	14,387,085,038	22	36	10,800,000	8	161,467,834

Note: Cases involving fugitives apprehended not included.

Table 2.07 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2009, 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	756	2,829	291	938	66	112	24	159	14	37
Jan.	56	89	24	66	2	5	2	17	1	1
Feb.	54	108	23	93	7	15	0	0	0	0
Mar	51	66	24	59	2	3	1	4	0	0
Apr.	58	52	18	35	6	6	2	4	0	0
May	60	64	23	46	4	8	2	3	3	7
Jun.	86	151	35	125	8	17	5	9	0	0
Jul.	72	144	23	117	7	8	2	3	3	16
Aug.	58	103	22	92	4	5	3	4	1	2
Sep.	86	133	46	94	8	27	3	9	2	3
Oct.	50	189	17	85	4	4	2	97	1	3
Nov.	32	40	9	29	9	9	0	0	2	2
Dec.	79	114	27	97	5	5	2	9	1	3

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	10	21	60	718	4	14	4	8	51	165
Jan.	3	10	4	53	1	1	0	0	6	13
Feb.	2	2	6	88	0	0	0	0	3	6
Mar	0	0	4	71	0	0	0	0	6	15
Apr.	2	3	5	45	0	0	1	3	3	7
May	0	0	5	43	1	1	0	0	4	14
Jun.	1	3	6	26	0	0	1	3	3	9
Jul.	0	0	9	128	0	0	0	0	5	28
Aug.	1	2	4	36	0	0	0	0	3	9
Sep.	0	0	3	4	1	6	0	0	6	19
Oct.	0	0	3	169	0	0	1	1	3	7
Nov.	0	0	5	15	0	0	0	0	5	6
Dec.	1	1	6	40	1	6	1	1	4	32

Table 2.07 (cont.)

Type Month	Infringement of Intellectual Property Rights		Violation of Securities & Exchange Act		Violation of Fair Trade Act		Violation of Futures Trading Law		Violation of Insurance Law	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	105	150	80	323	1	1	17	52	7	15
Jan.	8	10	4	28	0	0	1	4	0	0
Feb.	9	14	2	11	0	0	0	0	0	0
Mar	6	8	3	11	0	0	2	5	0	0
Apr.	10	18	9	63	0	0	2	3	0	0
May	4	8	8	21	0	0	3	13	1	4
Jun.	19	24	7	21	0	0	1	2	0	0
Jul.	11	12	10	41	1	1	1	6	1	3
Aug.	7	7	9	41	0	0	2	8	2	2
Sep.	7	9	7	25	0	0	3	6	1	1
Oct.	7	7	11	40	0	0	0	0	1	2
Nov.	2	2	1	3	0	0	1	2	0	0
Dec.	15	31	9	18	0	0	1	3	1	3

Table 2.07 (cont.)

Type Month	Other Offenses Undermining Economic Order							
	Violation of Wildlife Conservation Law		Violation of Company Law		Cyber crimes and computer hacking		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
Total	0	0	9	74	6	14	7	28
Jan.	0	0	0	0	0	0	1	3
Feb.	0	0	0	0	1	4	1	1
Mar	0	0	1	10	1	3	1	1
Apr.	0	0	0	0	0	0	0	0
May	0	0	2	40	1	2	2	13
Jun.	0	0	0	0	0	0	0	0
Jul.	0	0	1	9	1	3	0	0
Aug.	0	0	0	0	1	1	0	0
Sep.	0	0	1	4	0	0	0	0
Oct.	0	0	1	6	0	0	0	0
Nov.	0	0	0	0	0	0	0	0
Dec.	0	0	3	5	1	1	2	10

Table 2.08 Statistics of Cases and Suspects Referred to Public Prosecutors Office over the Period of 2005 ~ 2009

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2005	1,550	100.00%	18.91%	2,636	100.00%	-1.50%
2006	1,347	86.90%	-13.10%	3,321	125.99%	25.99%
2007	1,398	90.19%	3.79%	4,115	156.11%	23.91%
2008	1,113	71.81%	-20.39%	3,502	132.85%	-14.90%
2009	1,049	67.68%	-5.75%	3,127	118.63%	-10.71%

Table 2.08 (cont.)

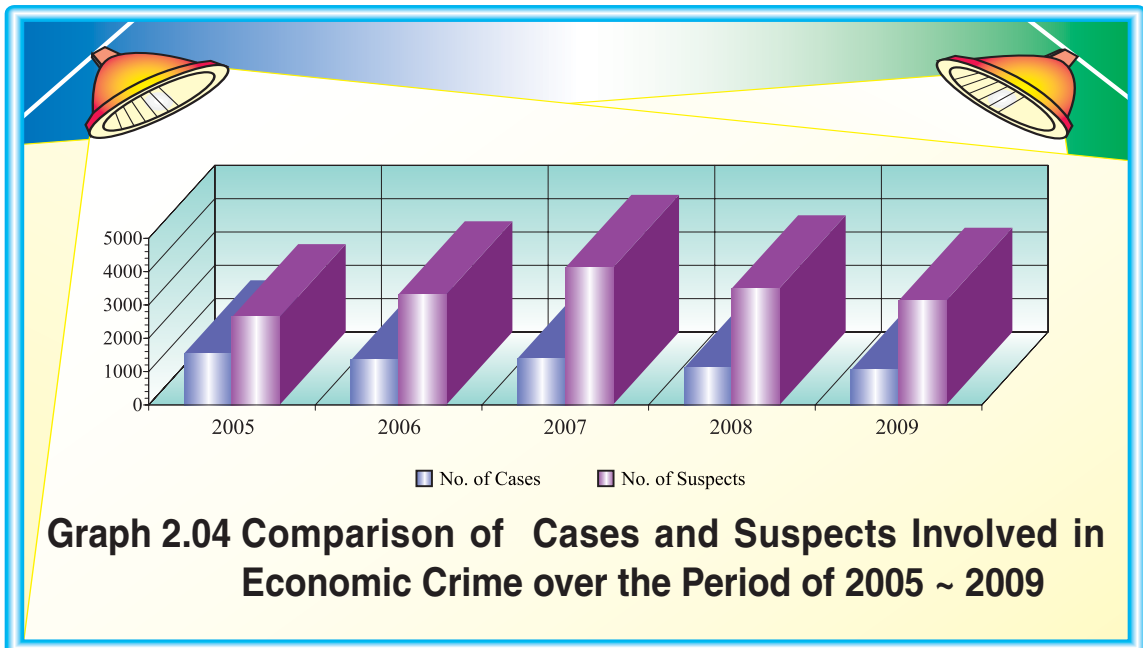
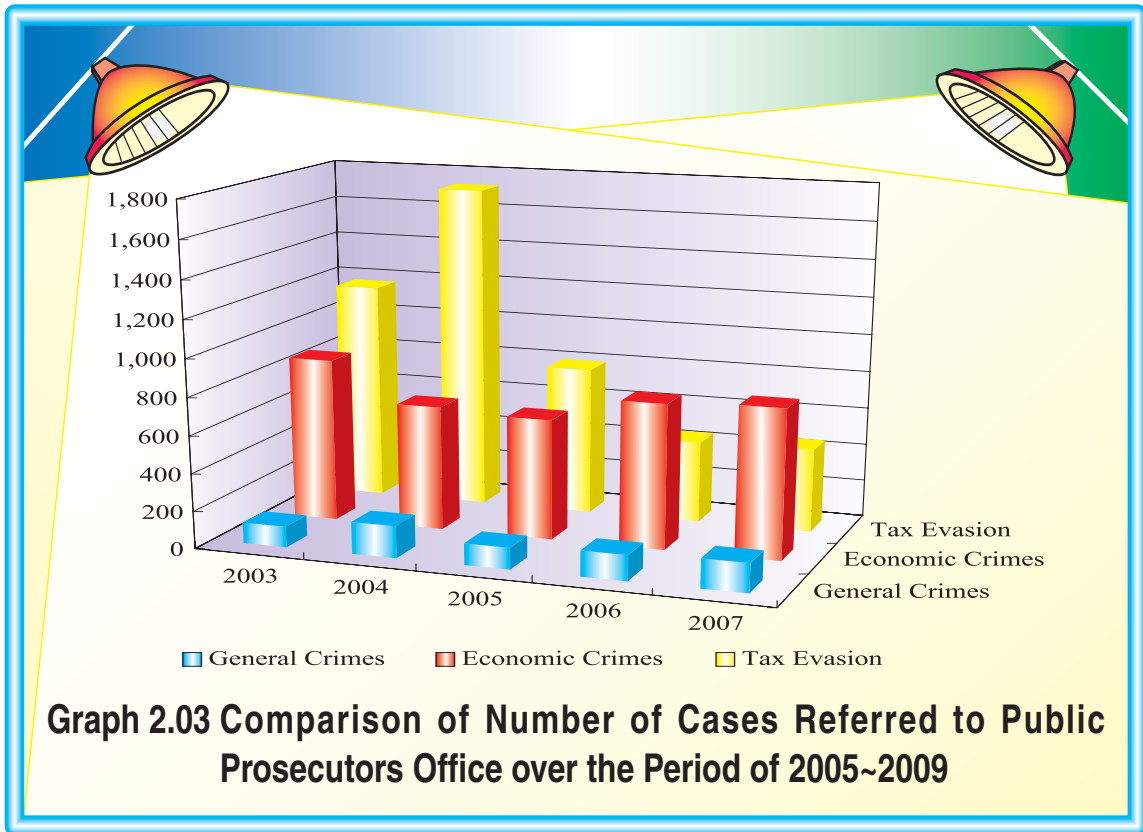
Item Year	Economic Crimes			General Crimes		
	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)	No. of Cases	No. of Suspects	Amount Involved (NT\$1,000)
2005	643	2,306	200,716,368	115	330	655,539
2006	773	2,934	496,004,470	136	387	530,786
2007	796	3,825	274,523,691	155	290	155,048
2008	777	3,189	145,163,734	125	313	1,297,646
2009	756	2,829	135,081,580	165	298	3,535,175

Table 2.08 (cont.)

Year	Item	Tax Evasion	
		No. of Cases	Penalty Imposed(NT\$1,000)
2005		792	2,318,446
2006		438	1,782,482
2007		447	798,705
2008		211	1,381,847
2009		128	1,317,563

Notes: 1. Relative to 2005 (100%)

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



- 37 suspects, accounting for 1.31%.
- Smuggling: 10 cases, accounting for 1.32%, with 21 suspects, accounting for 0.74%.
 - Violation of the Tax Collection Act: 60 cases, accounting for 7.94%, with 718 suspects, accounting for 25.38%.
 - Counterfeit or alternation of currency or negotiable securities: 4 cases, accounting for 0.53%, with 14 suspects, accounting for 0.49%.
 - Violation of the Tobacco and Alcohol Administration Act: 4 cases, accounting for 0.53%, with 8 suspects, accounting for 0.53%.
 - Violation of the Banking Act: 51 cases, accounting for 6.75%, with 165 suspects, accounting for 5.83%.
 - Intellectual property right infringement: 105 cases, accounting for 13.89%, with 150 suspects, accounting for 5.30%.
 - Violation of the Securities and Exchange Act: 80 cases, accounting for 10.58%, with 323 suspects, accounting for 11.42%.
 - Violation of the Fair Trade Act: 1 case, accounting for 0.13%, with 1 suspect, accounting for 0.04%.
 - Violation of the Futures Trading Law: 17 cases, accounting for 2.25%, with 52 suspects, accounting for 1.84%.
 - Violation of the Insurance Act: 7 cases, accounting for 0.93%, with 15 suspects, accounting for 0.53%.
 - The number of other economic crime cases was 22 (including 1 case of violation of the Telecommunications Act, 9 cases of violation of the Company Act, 6 cases

of computer crimes, and 6 other cases) accounting for 2.91%, with 116 suspects, accounting for 4.1%.

Of the aforesaid referred cases, 318 involved more than \$10 million, which is more than the 305 cases in 2008, and account for 41.57% of all cases, which is less than the 42.66% in 2008. These statistics indicate that the rate of major economic crimes is increased in 2009 due to economic recession (see Table 2.09).

A. Fraud

(a) Statistics:

There were 291 fraud cases referred in 2009, which was more than the 262 cases in 2008, increased by 11.07%; with 938 suspects, which was 19.07% less than the 1,159 suspects in 2008; involving monetary value of \$9,771,945,528, which was 54.06% less than the \$21,268,978,441 in 2008 (see Table 2.04, 2.05, and 2.10, and Graph 2.05).

The cases include:

- (1) Load fraud: 13 cases
- (2) Foreign trade fraud: 3 cases
- (3) Fraudulent bankruptcy: 5 cases
- (4) Fraudulent closedown of private loan association: 9 cases
- (5) Real estate fraud: 2 cases
- (6) Fraud of negotiable instrument: 10 cases
- (7) Investment fraud: 31 cases
- (8) Credit card fraud: 0 case

- (9) Advertising fraud: 0 case
- (10) Tax refund fraud: 1 case
- (11) Insurance fraud: 6 cases
- (12) Cyber fraud: 7 cases
- (13) Medical fraud: 24 cases
- (14) New-type group fraud: 101 cases
- (15) Others: 79 cases
(See Tables 2.04, 2.11, and Graph 2.06)

(b) Significant cases:

- (1) Huang X, the actual responsible person of Tzong X Construction Co., Ltd., Huang X, the registered responsible person, and Huang X, the Assistant Manager of the Finance Department, applied for a loan with Ban X Bank for the construction project of “Grand X Mansions” in June 1999. They colluded with Chen X, an employee in the credit department of Ban X Bank. Without proper assessment reports, Chen X reported directly to the board for the approval of a loan totaling \$101 million. However, the board decided that the ownership of the land should be transferred before the loan was granted. In September of the same year, Huang X altered the contents of the construction permit for Taipei County-(88)-Ban-Jian-Tze-#XX, into the aforesaid 29 lots of land along Wen Hua Section, Banchiao City. He also

altered the name of the architect into Feng X. With the forged document, he applied for a loan with Ban X Bank. In July 2000, Tzong X Construction Co., Ltd. stopped paying the interests, and as a result, Ban X Bank suffered a loss of \$112,285,000. This case was referred to Banchiao District Prosecutors Office on October 8, 2009.

- (2) From January 2002 to October 2008, Hsu X, an employee of Guo X Securities Co., lied to his clients Wen X et al. that his company was promoting BCEE and AGIG, medium-term principal-guaranteed fixed income securities, although Hsu X was aware that his company did not sell BCEE or AGIF. Hsu X told his clients that both products offer fixed dividends and returns. During this period, he convinced Wen X et al. to purchase the projects and wired the money via his own and other people’s accounts to Wen X et al., by lying that the money was the investment returns. Meanwhile, Hsu X also forged the transaction confirmations for BCEE products and gave these forged documents to Wen X et al. Hsu X obtained illegal proceeds totaling \$225,600,000. The case was referred to Shilin District Prosecutors Office on

Table 2.09 Comparison of Amount of Money Involved in Economic Crimes in 2008 and 2009

Amount Involved	2009				2008			
	No. of Cases		Percent Distribution		No. of Cases		Percent Distribution	
Total	765		100.00%		715		100.00%	
Less than \$100,000	155		20.26%		142		19.86%	
\$100,000-\$1,999,999	182		23.79%		166		23.22%	
\$2,000,000-\$4,999,999	68		8.89%		55		7.69%	
\$5,000,000-\$9,999,999	42		5.49%		47		6.57%	
\$10,000,000-\$49,999,999	318	136	41.57%	17.78%	305	124	42.66%	17.34%
\$50,000,000-\$99,999,999		60		7.84%		45		6.29%
\$100,000,000 or over		122		15.95%		136		19.02%

Note: Figures listed here do not include tax evasion cases

Table 2.10 Statistics of Fraud Cases over the Period of 2005 ~ 2009

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
2005	164	100.00%	0.61%	580	100.00%	3.20%	16,201,199	-0.61%
2006	215	131.10%	31.10%	712	122.76%	22.76%	16,927,951	4.49%
2007	273	126.98%	26.98%	1206	169.38%	69.38%	21,377,135	26.28%
2008	262	95.97%	-4.03%	1,159	96.10%	-3.90%	21,268,978	-0.51%
2009	291	111.07%	11.07%	938	80.93%	-19.07%	9,771,946	-54.06%

Notes: 1. Relative to 2005 (100%)

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

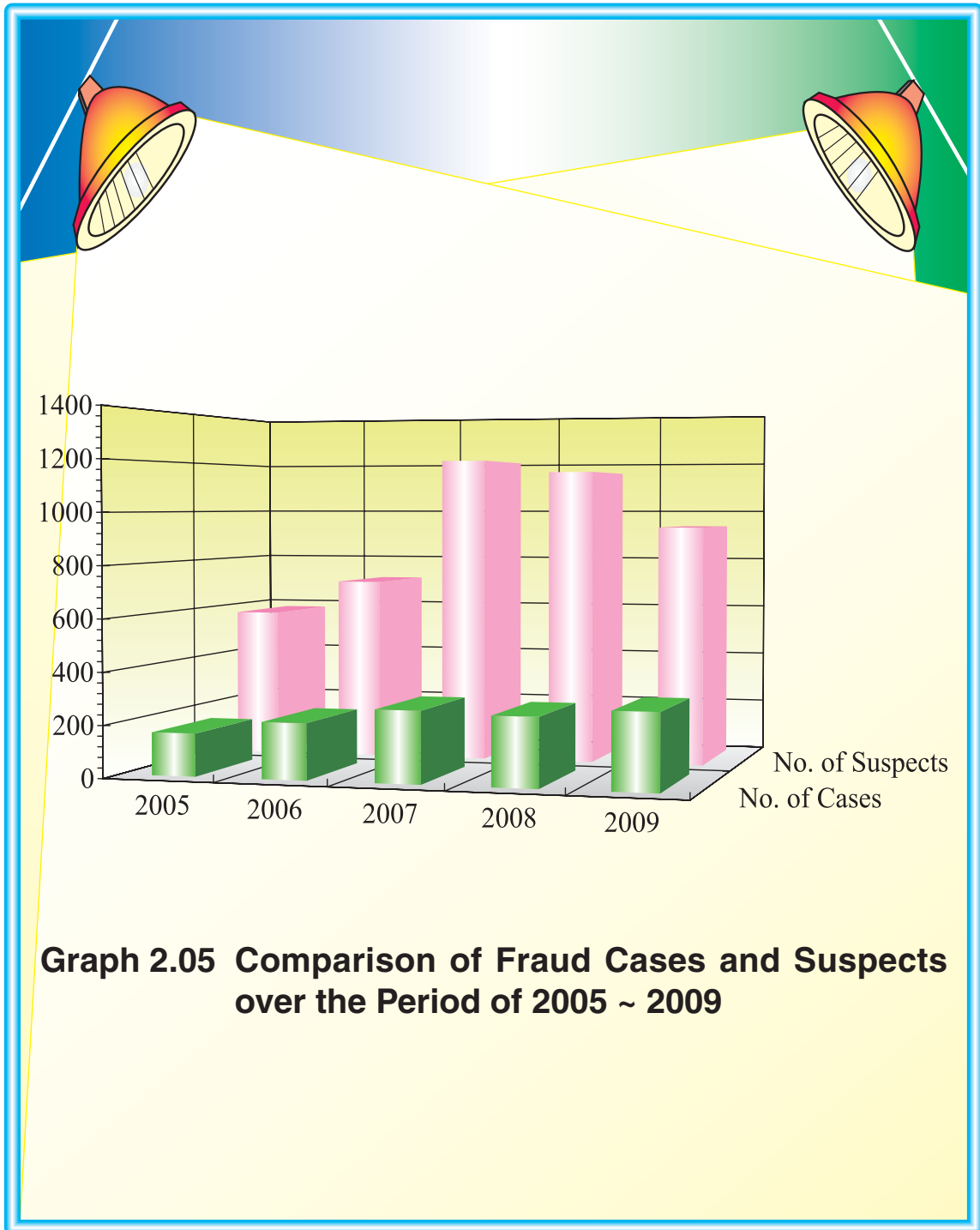


Table 2.11 Statistics of Fraud Cases over the Period of 2005 ~ 2009, by Type

Item Year	Total No. of Cases	Fraudulent loan	Percent Distribution	Percent Change	Fraud in international trade	Percent Distribution	Percent Change	Fraudulent insolvency	Percent Distribution	Percent Change	Fraudulent closure of private loan association	Percent Distribution	Percent Change
2005	164	14	8.54%	-60.00%	3	1.83%	NA	1	0.61%	-90.00%	6	3.66%	100.00%
2006	124	13	10.48%	-7.14%	2	1.61%	-33.33%	5	4.03%	400.00%	7	5.65%	16.67%
2007	273	22	8.06%	69.23%	3	1.10%	50.00%	7	2.56%	40.00%	6	2.20%	-14.29%
2008	262	21	8.02%	-4.55%	1	0.38%	-66.67%	5	1.91%	-28.57%	9	3.44%	50.00%
2009	291	13	4.47%	-38.10%	3	1.03%	200.00%	5	1.72%	0.00%	9	3.09%	0.00%

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

Table 2.11 (cont.)

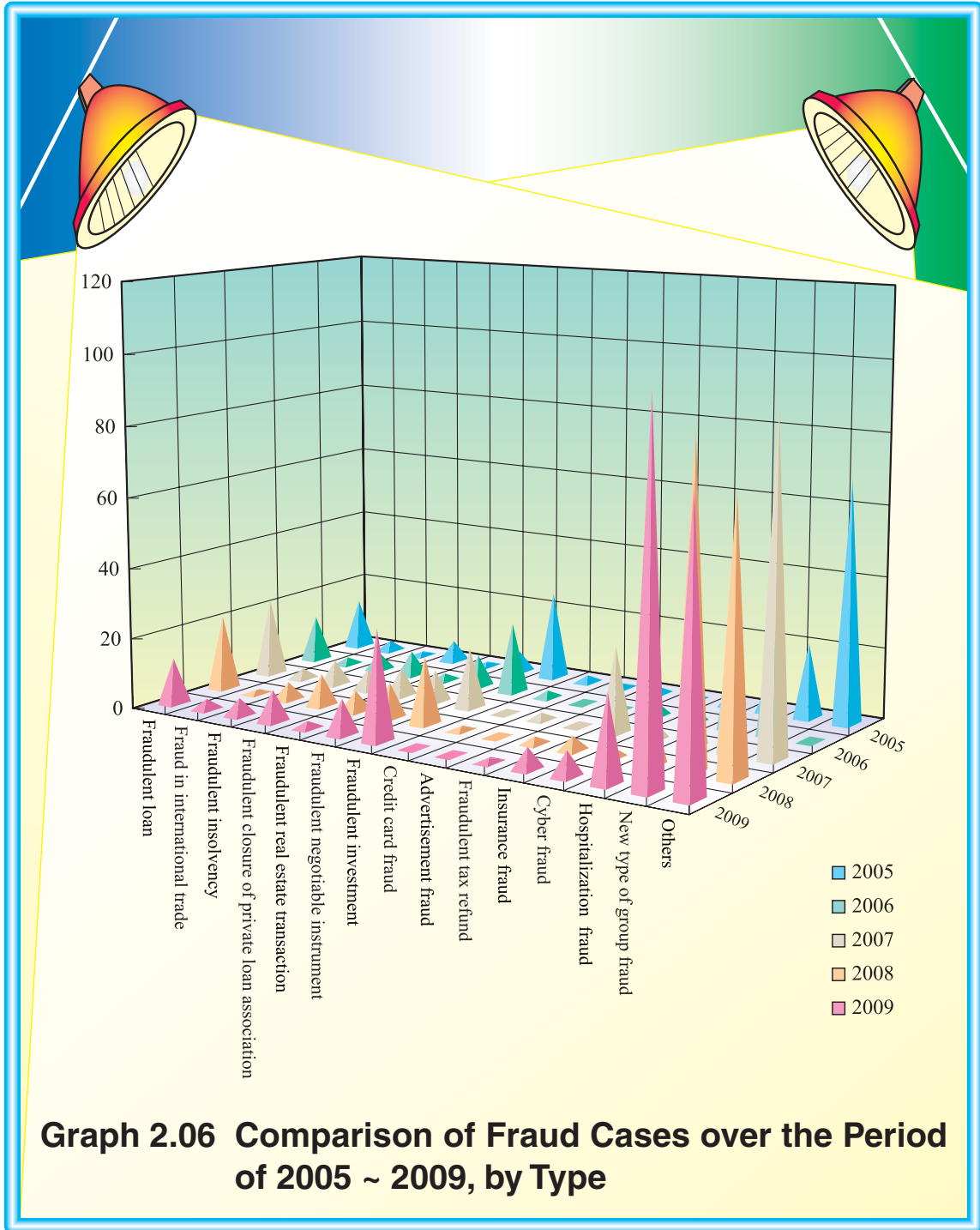
Item Year	Fraudulent real estate transaction	Percent Distribution	Percent Change	Fraudulent negotiable instrument	Percent Distribution	Percent Change	Fraudulent investment	Percent Distribution	Percent Change	Credit card fraud	Percent Distribution	Percent Change
2005	1	0.61%	-66.70%	6	3.66%	-40.00%	25	15.24%	25.00%	2	1.22%	0.00%
2006	2	1.61%	100.00%	9	7.26%	50.00%	20	16.13%	-20.00%	2	1.61%	0.00%
2007	8	2.93%	300.00%	9	3.30%	0.00%	17	6.23%	-15.00%	0	0.00%	-100.00%
2008	6	2.29%	-25.00%	10	3.82%	11.11%	19	7.25%	11.76%	1	0.38%	NA
2009	2	0.69%	-66.67%	10	3.44%	0.00%	31	10.65%	63.16%	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
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	3.23%	300.00%	4	3.23%	0.00%
2007	2	0.73%	NA	0	0.00%	NA	24	8.79%	500.00%	5	1.83%	25.00%
2008	0	0.00%	-100.00%	2	0.76%	NA	4	1.53%	-83.33%	3	1.15%	-40.00%
2009	0	0.00%	NA	1	0.34%	-50.00%	6	2.06%	50.00%	7	2.41%	133.33%

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
2005	9	5.49%	125.00%	21	12.80%	110.00%	68	41.46%	-53.04%
2006	25	20.16%	177.78%	31	25.00%	47.62%	0	0.00%	-100.00%
2007	22	8.06%	-12.00%	55	20.15%	77.42%	93	34.07%	NA
2008	17	6.49%	-22.73%	89	33.97%	61.82%	75	28.63%	-19.35%
2009	24	8.25%	41.18%	101	34.71%	13.48%	79	27.15%	5.33%



Graph 2.06 Comparison of Fraud Cases over the Period of 2005 ~ 2009, by Type

February 26, 2009.

- (3) Chi X, the responsible person of A.K.G. in Japan, learned from NCA Co. in April 2007 that Sheng X Co. was in urgent need of polysilicon, a material for solar products. It was a time when the international spot price was soaring. Chi X collaborated with X Chizuko, X Kosaku, and X Masayoshi, whose ages are unknown, to forge the transaction contract between Hsin X Co., Ltd. and A.K.G. They claimed that they were able to secure supply due to their good political and business contacts. Yang X, the responsible person of Sheng X Co. believed their statement during his trip to Japan so he wired a total of US\$24,930,000 (equivalent to NT\$770 million). Yang X did not know this was a fraud until the shipment was delayed and Yang X found from Hsin X Co. Ltd. that there was no supply agreement. In October 2007, Chi X used the same technique to perform a fraud on Tai X Co., Ltd. a total of \$66.93 million. The case was referred to Hsinchu District Prosecutors Office on March 16, 2009.
- (4) Yin X, the responsible person of Hsieh X Hospital, collaborated with other shareholders, including Yang X, for embezzlement. Knowing

that Superintendent Tsai X did not see patients, they applied for medical insurance with the Bureau of National Health Insurance on behalf of Tsai X. Meanwhile, Yang X and Liu X colluded with the responsible persons of 30 nursery homes that Hsieh X Hospital provided painkillers, such as Panadol, and materials, such as medical gauze, and the nursery homes collected the health insurance cards from their residents and forged records in Hsieh X Hospital. Hsieh X Hospital then forged medical records to apply for medical expenses from the Bureau of National Health Insurance. From January 2004 to May 2009, Hsieh X Hospital obtained illegal proceeds totaling \$103,120,000. The case was referred to Changhua District Prosecutors Office on August 19, 2009.

- (5) Chang X, the former CEO and Chairman of Shi X Bioenergy Co., Ltd., falsely claimed that they had patents in the biomass PRF process since May 2006. Feng X Technology Co., Ltd., whose Chairperson Liu X Feng is the spouse of Chang X, undertook the biomass project for Shi X Bioenergy Co., Ltd. Together, they persuaded more than 360 investors, including Chen X, to subscribe to

the company's shares at \$10~68 per share. A total of \$756,371,184 was raised. However, the company was unable to complete the operations or produce biofuel in September 2009. Afterwards, it forged the minute for the meeting of directors in order to issued new shares worth of \$40 million to Feng X Co. The case was referred to Taichung District Prosecutors Office on September 29, 2009.

- (6) Lin X, a resident in Miaoli County, colluded with Chiu X and Guo X in July 2009 by lying that Chiu X would inherit a huge sum of wealth. They claimed that Chiu X was not able to pay inheritance taxes; hence, any lenders to Chiu X can receive lucrative interests after Chiu X had inherited the wealth. They convinced Li X et al. to provide funds to Guo X. During this period, Lin X pretended to be a judge and threatened Li X et al. over the phone that the above falsely claimed inheritance would be confiscated if they did not continue to lend money to Chiu X. Lin X also threatened them that their loans would not be recovered if they do not comply. Li X et al. believed in this false statement and invited others to extend loans to Chiu X. Lin X et al. used the same scheme to obtain illegal proceeds

totaling \$184.78 million from 41 victims. The case was referred to Miaoli District Prosecutors Office on October 30, 2009.

- (7) Lin X, Shiu X and Chen X, on March 11, 2009, pretended to be district attorneys and bailiffs to perform fraudulent schemes by threatening people over the phone. They claimed that the accounts of victims had been used by fraudulent groups, and unless they submitted the funds, they would be taken into custody or under a wanted circular. Illegal proceeds totaling \$6.7 million from Hsieh X, et al. was obtained as a result. Afterwards, they obtained additional \$5 million from Hsieh X on the false excuse of cancelation of the intended custody. However, Hsieh X had doubts, so she filed a report to MJIB. On March 19, 2009, when Lin X et al. went to collect money, they were caught as active criminals by the authority. Their vehicle and illegal proceeds of \$440,000 were seized on the spot. The case was referred to Banchiao District Prosecutors Office on April 30, 2009.

B. Embezzlement

(a) Statistics:

There were of 66 cases of embezzlement referred in 2009, which

was 29.41% more than the 51 cases in 2008; with 112 suspects, which was 10.89% more than the 101 suspects in 2008; involving monetary value of \$2,256,900,947, which was 19.98% more than the \$1,881,047,753 loss in 2008 (see Tables 2.04, 2.05, and 2.12, and Graphs 2.07 and 2.08).

The cases include:

- (1) General embezzlement: 12 cases
- (2) Embezzlement involving public interest: 13 cases
- (3) Embezzlement by employees of private business: 41 cases
(See Tables 2.04, 2.12, and Graph 2.08)

(b) Significant cases:

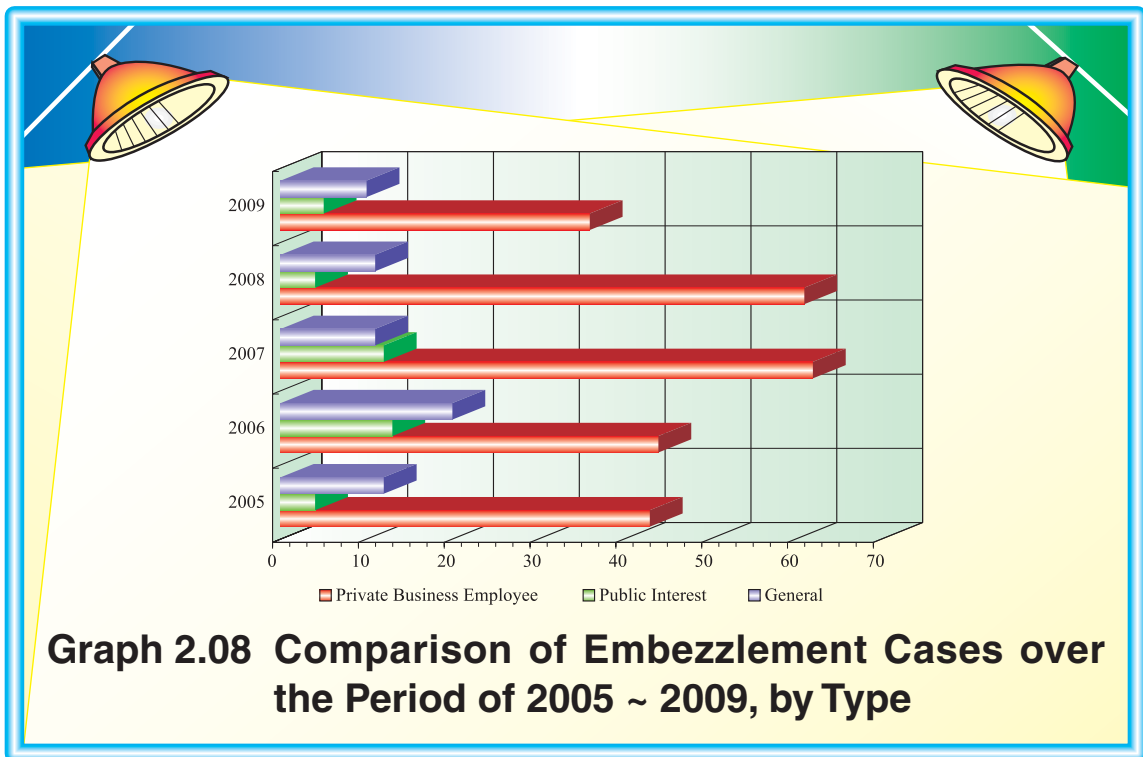
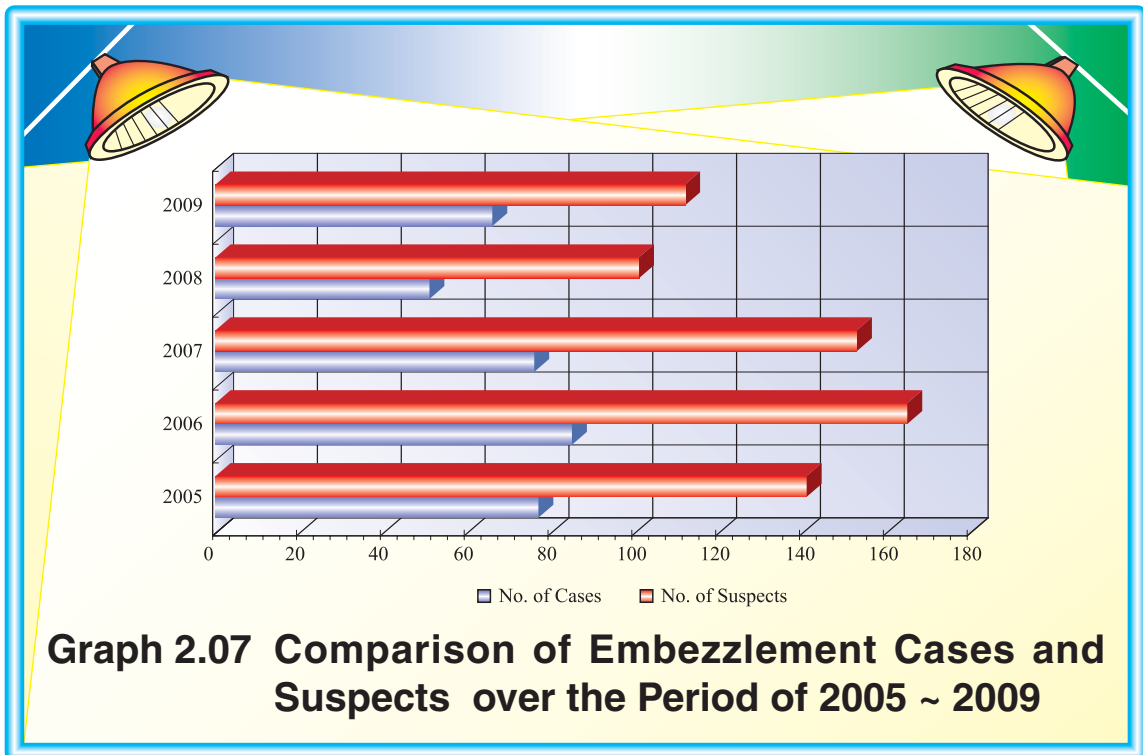
- (1) Huang X, the Director of Cashier Unit of Gao X Institute of Technology (restructured into a university on August 1, 2005) was well aware that the collection charges and agency fees collected from students shall be deposited to dedicated accounts according to the Guidelines for the Collection of Prepaid Expenses from Students for Private Colleges and Universities stipulated by the Ministry of Education, and a ledger shall be established. Also, Gao X Institute of Technology had opened a dedicated account under the name of “Preparatory Office of Cooperatives for Employees and Students of Gao X Institute of Technology” at Ganshan Branch of Changhua Bank. However, from September 16, 2004 onward, Huang X has embezzled a total of \$108.28 million from the expenses prepaid by students by establishing other accounts in Ganshan Branch and Ruchu Branch of Changhua Bank. The case was referred to Kaohsiung District Prosecutors Office on February 10, 2009.
- (2) Mr. and Mrs. Chang X, residents of Kaoshiung County, purchased the 098000053 issue of Taiwan Lottery on the behalf of their friend Tu X on July 2, 2009. To their surprise, they won the first prize for the amount of \$924 million (after tax at approximately over NT\$735 million). Mr. and Mrs. Chang X embezzled the lottery and collected the prize themselves. The case was referred to Kaohsiung District Prosecutors Office on September 14, 2009.
- (3) Chairman Chen X, Director Ni X and Supervisor Lu X of Lyu X Environmental Technology Co., Ltd. were suspected for embezzling the corporate funds from January 2007 to December 2007, to fund the operating expenses of Jing X Environmental Technology Co., Ltd., for which Lu X, Chen X and Ni X served as Chairman, Director

Table 2.12 Statistics of Embezzlement Cases and Types over the Period of 2005 ~ 2009

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²	Type		
									General	Public Interest	Private Business Employee
2005	77	100.00%	30.51%	141	100.00%	-8.44%	10,232,293	-58.52%	20	13	44
2006	85	110.39%	10.39%	165	117.02%	17.02%	5,611,915	-45.15%	11	12	62
2007	76	98.70%	-10.59%	153	108.51%	-7.27%	5,331,299	-5.00%	11	4	61
2008	51	66.23%	-32.89%	101	71.63%	-33.99%	1,881,048	-64.72%	10	5	36
2009	66	85.71%	29.41%	112	79.43%	10.89%	2,256,901	19.98%	12	13	41

Notes: 1. Relative to 2005 (100%)

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



and Supervisor, respectively. Meanwhile, Chen X embezzled \$30.4 million from the account of Lyu X Co., Ltd. to pay for his personal loan with banks. In January 2008, he also wired \$13 million from the company's account to Lu X, as a nominal account of Chen X for personal use. The case was referred to Taipei District Prosecutors Office on June 29, 2009.

C. Breach of Trust

(a) Statistics:

There were total of 24 cases of breach of trust referred in 2009, which was 14.29% less than the 28 cases in 2008; with 159 suspects, which was 28.23% more than the 124 suspects in 2008; involving monetary value of \$3,872,586,712, which was 58.21% less than the \$9,266,641,185 in 2008 (see Tables 2.04, 2.05, and 2.13, and Graph 2.09).

(b) Significant cases:

(1) Chen X, the actual responsible person, and Yang X, the registered responsible person, of Chung X Petroleum Co. and You X Logistics Co., and Chen X et al., the actual responsible persons of Hao X Co., Ltd., were well aware that Hao X Co., Ltd. only operated a total of 6 gas stations, including Rui X gas

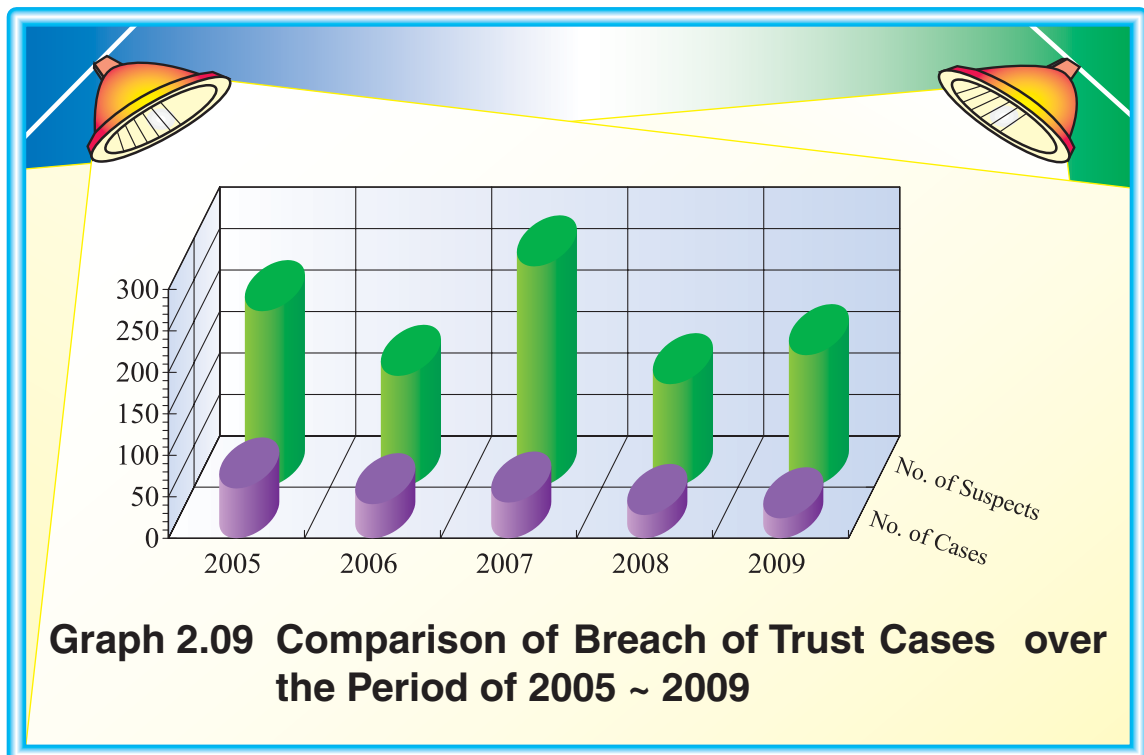
station, as of the end of September 2004. Meanwhile, Hao X Co., Ltd. had been in losses since its establishment on March 19, 2004. However, from March 2004 to July 2008, they lied to Chung X Petroleum Co. to inject cash by \$1.5 billion. Meanwhile, Chung X Petroleum Co. and You X Logistics Co. (later merged into You X Co.) falsely referred the 32 gas stations managed for Yong X Gas Station in Tainan City as Hao X Co., Ltd.'s own gas stations. After inflating the rents and deposits for respective gas stations, Chen X forged a leasing contract on behalf of Huang X, the registered responsible person of Chung X Petroleum Co. and Hao X Co., Ltd. on September 30, 2004. The lands, buildings, gas fillers, cash washers, and other facilities and equipment of the abovementioned 36 gas stations owned by Yong X Gas Station were all let by Hao X Co., Ltd. to Chung X Petroleum Co. The contract covered 10 years and demanded rents totaling \$2,366 million and a deposit of \$78.03 million. The rents for the first five years were to be paid in advance whereas the rents for the last five years were to be paid at the beginning of the following years. The annual rents during

Table 2.13 Statistics of Breach of Trust Cases over the Period of 2005 ~ 2009

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
2005	60	100.00%	-10.45%	212	100.00%	-40.45%	25,526,724	-36.18%
2006	41	68.33%	-31.67%	134	63.21%	-36.79%	20,948,832	-17.93%
2007	43	104.88%	4.88%	266	125.47%	98.51%	44,539,784	112.61%
2008	28	46.67%	-34.88%	124	58.49%	-53.38%	9,266,641	-79.19%
2009	24	40.00%	-14.29%	159	75.00%	28.23%	3,872,587	-58.21%

Notes: 1. Relative to 2005 (100%)

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



the second half of the contractual term were to be paid with a total of 12 checks at the beginning of the year. After the signing of the contract, Chen X Hsiung instructed Peng X, an unknowing financier in Chung X Petroleum Co. to pay a total of \$1,261,030,000 to Hao X Co., Ltd. in the false accounting entries such as deposits, prepaid rents and prepaid expenses. The case was referred to Taipei District Prosecutors Office on April 28, 2009.

- (2) Director Lin X, President Hu X, employee Peng X and Assistant Manager Lin X et al. of Chung X Co., Ltd. were well aware that they were not allowed to dispose residential units without the approval from the Ministry of Finance or to transfer profits among stakeholders. However, on July 1, 1999, the board of directors of Chung X Co., Ltd. decided to incorporate the real estates of Chengdong Branch, which was in use, into the non-performing loans of Chung X Co., Ltd., and to auction the properties off in the regular annual tenders for not-in-use or idle real estates. Afterwards, Jia X Co., Ltd. operated by Lin X Dao, a director, took part in the bid. In the same year, Chung X Co., Ltd. extended a loan of \$25 million

as the deposit from Jia X Co., Ltd. for the bid on July 29. Meanwhile, Jia X Co., Ltd. won the bid at the reserve price of \$500 million. Also, Chung X Co., Ltd. extended additional loans of \$425 million at a low rate. Finally, Chung X Co., Ltd. rented back the property from Jia X Co., Ltd. by paying a monthly rent of \$2,009,150. As a result, Chung X Co., Ltd. suffered a total loss of \$480 million. The case was referred to Taipei District Prosecutors Office on May 25, 2009.

- (3) In January 2002, Chang X and Chou X were assigned by Taipei District Court as the persons responsible for the restructuring of Chung X Co., Ltd. They acted as CEO and COO respectively for the company. Although they knew that the shipment to X Chuang Co., the branch of Chung X Co., Ltd. in Shenzhen China should be made after the receipt of payments for electronic monitors, they delivered the goods without collecting the payment from Shenzhen Lian X Technology Co., Ltd., a company held by X Chuang Co. As a result, Chung X Co., Ltd. reported accumulated receivables of US\$9,866,001 (or NT\$320,645,047) from March 2002 to February 2003. The case

was referred to Taipei District Prosecutors Office on August 28, 2009.

D. Usury

(a) Statistics:

There were 14 cases of usury referred in 2009, which was 100% more than the 7 cases in 2008, with 37 suspects, which was 184.62% more than the 13 suspects in 2008, involving monetary value of \$225,117,050, which was 184.24% more than the \$79,201,213 in 2008 (see Tables 2.04, 2.05, and 2.14, and Graph 2.10).

(b). Significant cases:

(1) Chang X, the responsible person of Nan X Pawn Shop, from September 2007 to May 2008, demanded Chang X-ming, the responsible person of Han X Co., Ltd. who was in urgent need of money, to use his car and store as a collateral to apply for loan with daily interests of \$60~100 (annual interest rate of 216~360%) per \$10,000. Afterwards, Chang X-ming was unable to pay back the debt, and Chang X transferred the ownership of the said store and car to his wife, forced Chang X-ming to sign the check of debts, and gained illegal proceeds of \$85,190,000. The case was referred to Taipei District Prosecutors

Office on September 2, 2009.

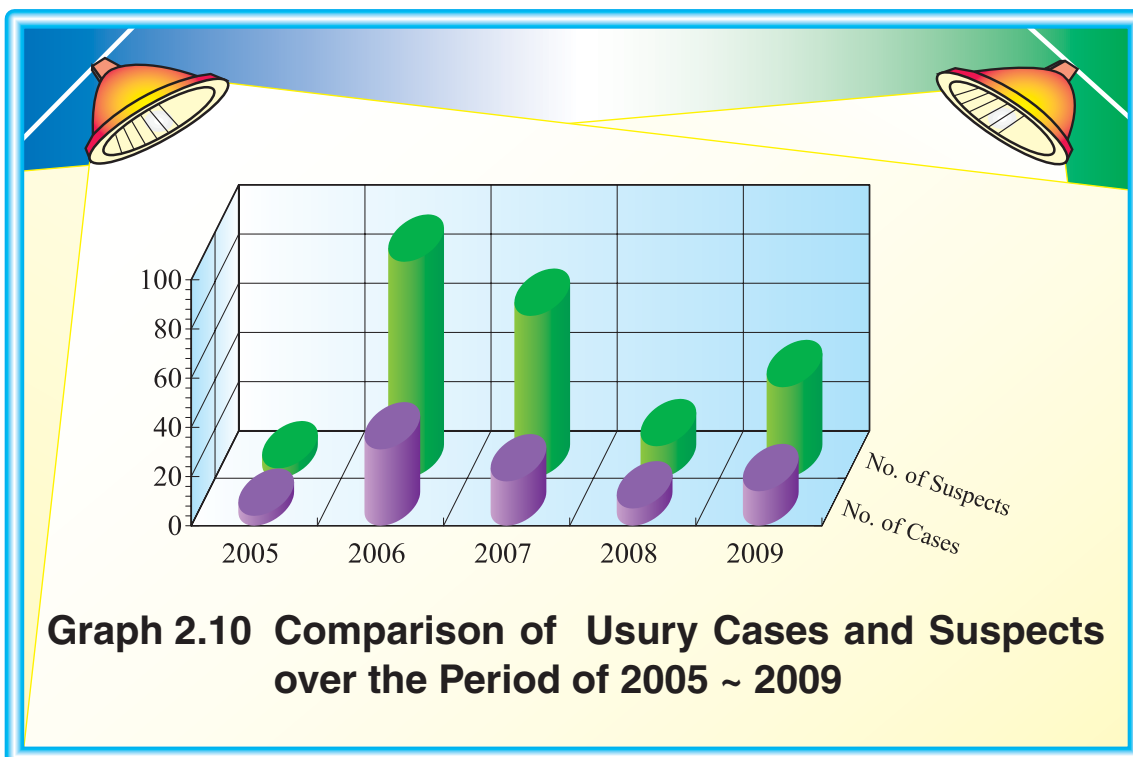
- (2) From December 2006 to December 2008, Yeh X, a resident of Tainan County, loaned money to careless and inexperienced Huang X et al., by advertising on newspapers, mobile phone messages, and referrals, with the interest rate of \$10,000 per \$100,000 for each term (10~15 days as one term, annual interest rate of 240~360%). Yeh X loaned \$120 million, and gained illegal proceeds of \$30 million. The case was referred to Taichung District Prosecutors Office on October 26, 2009.
- (3) Since 2005, Lin X, the responsible person of Hua X Pawn Shop in Kaohsiung City, has operated lending business of pawn shop. Lin X violated Article 11 of Pawn Shop Business Law, which stated that “the highest annual interest of pawn shops shall not exceed 48%”, and took advantage of Su X et al. who was in urgent need of money. Lin X charged monthly interests of \$ 90,000~ 150,000 for every \$1,000,000 (monthly interest rate of 9~15%, annual interest rate of 108~180%). Lin X lent money to the said persons and detained interest of one month. The borrowers used corporate cheques, personal cheques and real estates as guarantees. Lin X received illegal

Table 2.14 Statistics of Usury Cases over the Period of 2005 ~ 2009

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
2005	4	100.00%	100.00%	4	100.00%	-50.00%	9,176	-68.14%
2006	31	775.00%	675.00%	88	2200.00%	2100.00%	982,714	10609.61%
2007	18	450.00%	-41.94%	66	1650.00%	-25.00%	495,411	-49.59%
2008	7	175.00%	-61.11%	13	325.00%	-80.30%	79,201	-84.01%
2009	14	350.00%	100.00%	37	925.00%	184.62%	225,117	184.24%

Notes: 1. Relative to 2002 (100%)

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



proceeds of \$80,200,000. The case was referred to Kaohsiung District Prosecutors Office on November 17, 2009.

E. Smuggling

(a) Statistics:

There were 10 smuggling cases referred in 2009, which was 62.96% less than the 27 cases in 2008; with 21 suspects, which was 32.26% less than the 31 suspects in 2008; involving monetary value of \$23,468,254, which was 18.11% less than the \$28,657,542 in 2008 (see Tables 2.04, 2.05, and 2.15, and Graph 2.11).

The cases include:

- (1) By container: 8 cases
 - (2) By fishing boats: 0 case
 - (3) By personal carriage: 2 cases
- (See Table 2.16, Graph 2.12)

(b) Significant cases:

(1) In June 2008, Li X, the responsible person of He X Frozen Seafood Co., Ltd. authorized Lian X Custom Co. to declare 10,000 kg of frozen tuna processed in Taiwan to Kaohsiung Customs Office. The frozen tuna was returned from the U.S. back to Taiwan. The officer of Onsite Clearance Division of Kaohsiung Customs Office examined the tuna and found that 5,000kg of frozen yellow tailed fish processed in China were

hidden. The case was referred to Kaohsiung District Prosecutors Office on February 4, 2009.

(2) In 2005, Liou X, the actual responsible person of Yi X Co., Ltd. and Jie X Co., Lt, used Li X and Li X to act as registered persons in charge of Yi X Co., Ltd. and Jie X Co., Ltd., which authorized Guo X Custom Co., which was not aware of the fact, to declare 32,027kg of imported Korean and Japanese dry mushrooms to Chunghsing Branch of Kaohsiung Customs Office. The officers examined the goods, and found that the goods were originated from China. The case was referred to Kaohsiung District Prosecutors Office on January 12, 2009.

(3) Yao X, the responsible person of Hsin X Co., Ltd., was aware that he could not import dry garlic powder made in China, as goods of Category C in “regulated items and amounts” announced and authorized by Paragraph 3 Article 2 of the Punishment of Smuggling Act of the Executive Yuan. However, Yao X invited Wu X, the responsible person of Fu X Co., Ltd to invest \$600,000 to purchase 1,040 boxes (weighed 26,000 kg) of dry garlic powder made in China. Afterwards, Yao X contacted H.N.

Table 2.15 Statistics of Smuggling Cases over the Period of 2005 ~ 2009

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
2005	21	100.00%	-48.78%	31	100.00%	-43.64%	721,602,777	1613.19%
2006	33	157.14%	57.14%	35	112.90%	12.90%	91,336,750	-87.34%
2007	22	104.76%	-33.33%	33	106.45%	-5.71%	233,831,112	156.01%
2008	27	128.57%	22.73%	31	100.00%	-6.06%	28,657,542	-87.74%
2009	10	47.62%	-62.96%	21	67.74%	-32.26%	23,468,254	-18.11%

Notes: 1. Relative to 2005 (100%)

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

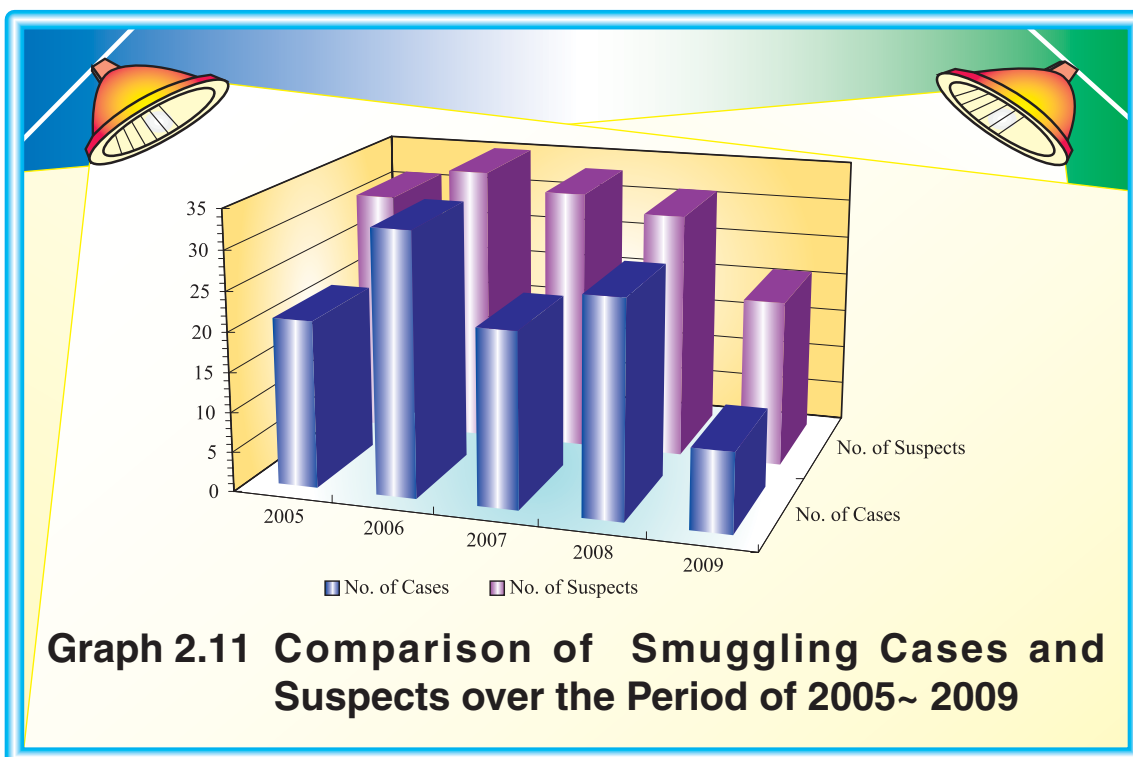
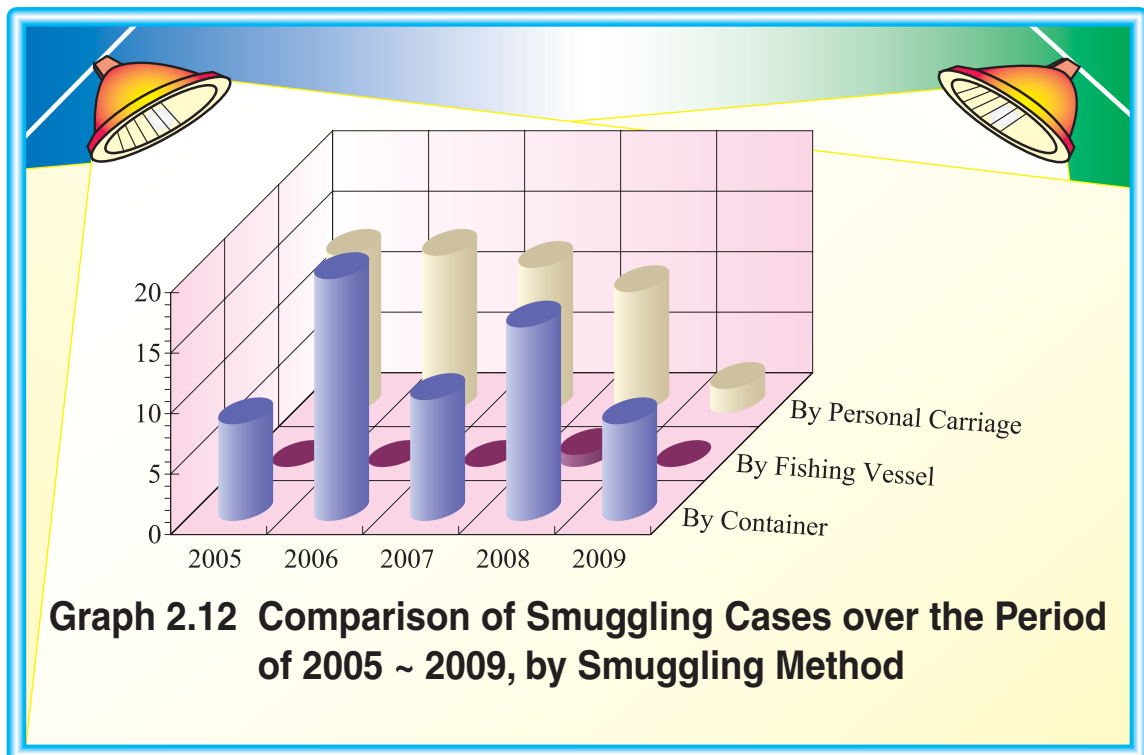


Table 2.16 Statistics of Smuggling Cases over the Period of 2005 ~ 2009, by Smuggling Method

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
2005	21	31	8	13	0	0	13	18
2006	33	35	20	21	0	0	13	14
2007	22	33	10	16	0	0	12	17
2008	27	31	16	17	1	1	10	13
2009	10	21	8	19	0	0	2	2



Co., an exporter in Vietnam, to export illegal dry garlic powder made in Vietnam to Taiwan, and the goods were tracked down by Chiancheng Branch of Kaohsiung Customs Office. The case was referred to Kaohsiung District Prosecutors Office on December 7, 2009.

F. Violation of the Tax Collection Act

(a) Statistics:

There were 60 cases of tax law violation referred in 2009, which was 16.67% less than the 72 cases in 2008; with 718 suspects, which was 27.33% less than the 988 suspects in 2008; involving monetary value of \$21,339,115,437, which was 48.84% less than the \$41,707,894,987 in 2008 (see Tables 2.04, 2.05, and 2.17, and Graph 2.13)

The cases include:

- (1) Article 41 of the Tax Collection Act (Taxpayer evades tax by illicit means): 31 cases
 - (2) Article 42 of Tax Collection Act (Violation of tax collection by withholding procedures): 2 cases
 - (3) Article 43 of Tax Collection Act (Instigating or helping others in tax evasion): 18 cases
 - (4) Others: 9 cases
- (See Table 2.18 and Graph 2.14)

(b) Significant cases:

- (1) Yang X et al., the general manager of Tai X Insurance Co., was aware that insurance collection should not be in the account by mispricing, rebating or falser expenditure. However, in order to compete with other insurance companies, they still authorized the salespersons of Taiwan Insurance Co. by paying the commission to expand business and increase insurance clients. In order to pay the large amount of insurance commission to unauthorized managers and agents of Taiwan Insurance Co., they paid Tai X Insurance Co. with \$626,800,000 of fraudulent invoice by authorizing 16 insurance companies, such as Hsin Chia Insurance Co., which did not undertake the business of Taiwan Insurance Co. by paying invoice values from 15% to 20% and declaring them as expenditure in annual corporate income tax. The case was referred to Taipei District Prosecutors Office on April 24, 2009.
- (2) Liou X, Huang X, Lin X and Kuo X were chairman, general manager and supervisor of Ming X Co., Ltd., respectively, and Huang X was the accounting manager. They founded the GLOBAL Co. at British Virgin Islands in 2008, and opened OBU account in the bank to

Table 2.17 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2005 ~ 2009

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
2005	59	100.00%	55.26%	607	100.00%	54.06%	33,095,020	-68.24%
2006	77	130.51%	30.51%	926	152.55%	52.55%	331,148,950	900.60%
2007	91	154.24%	18.18%	1,343	221.25%	45.03%	47,796,231	-85.57%
2008	72	122.03%	-20.88%	988	162.77%	-26.43%	41,707,895	-12.74%
2009	60	101.69%	-16.67%	718	118.29%	-27.33%	21,339,115	-48.84%

Notes: 1. Relative to 2005 (100%)

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

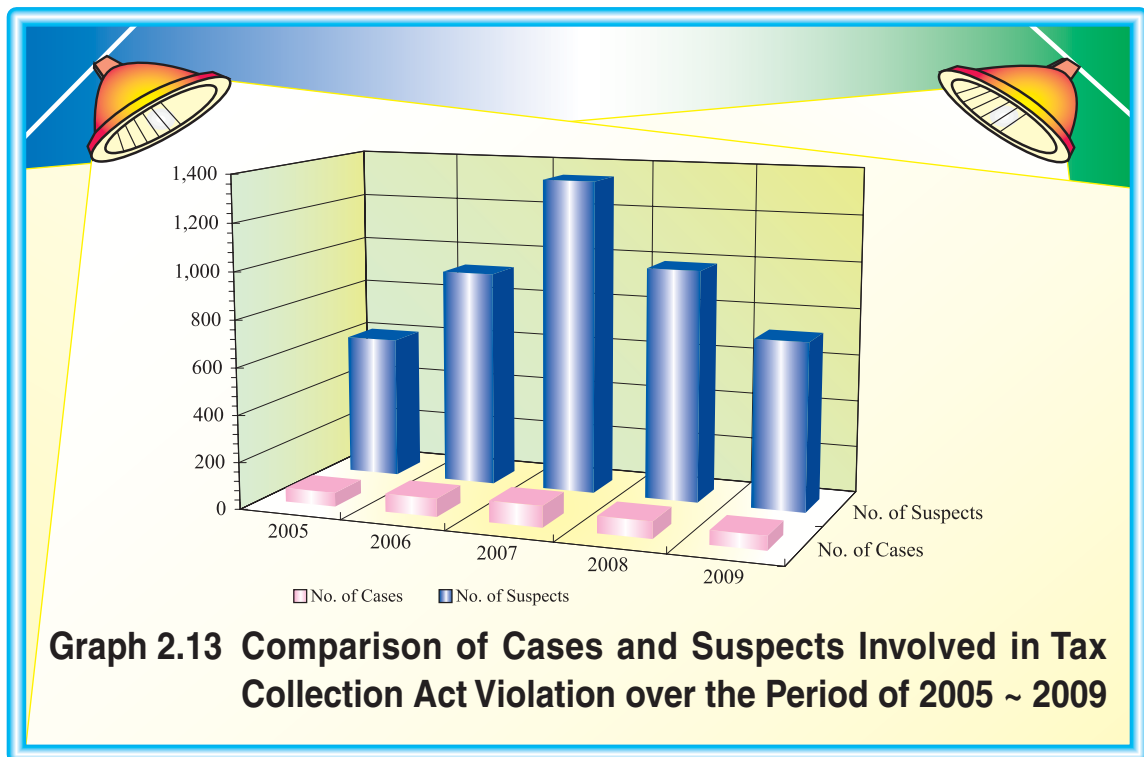
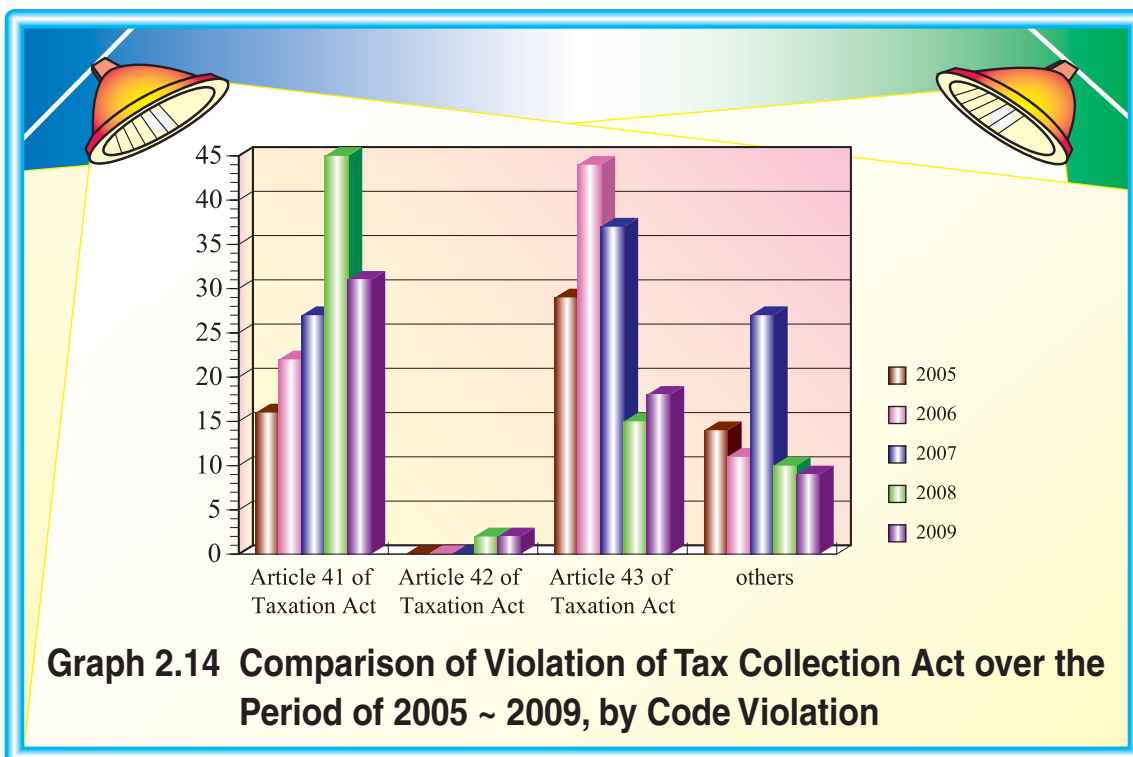


Table 2.18 Statistics of Cases Concerning Violation of Tax Collection Act over the Period of 2005 ~ 2009, by Code Violation

Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Article 41 of Taxation Act	Article 42 of Taxation Act	Article 43 of Taxation Act	others
2005	59	100.00%	55.26%	16	0	29	14
2006	77	130.51%	30.51%	22	0	44	11
2007	91	154.24%	18.18%	27	0	37	27
2008	72	122.03%	-20.88%	45	2	15	10
2009	60	101.69%	-16.67%	31	2	18	9

Notes: 1. Relative to 2005(100%)

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



demand foreign clients to receive orders in Taiwan and transfer export income in China to the OBU account. They purposefully neglected the income of Ming X Co., Ltd. which should be recorded in accounting to result in false financial statement, declared tax to tax bureaus and evaded business revenue of \$3,140,400,000. The case was referred to Taichung District Prosecutors Office on August 17, 2009.

G. Counterfeit/alteration of currency and negotiable securities

(a) Statistics:

There were 4 counterfeit/alteration cases referred in 2009, which was 42.86% less than the 7 cases in 2008; with 14 suspects, which was 16.67% more than the 12 suspects in 2008; involving monetary value of \$3,448,564,708, which was 255.47% more than the \$970,133,661 in 2008 (see Tables 2.04, 2.05, 2.19, and Graph 2.15).

The cases include:

- (1) Counterfeit/alteration of currency: 0 case
- (2) Counterfeit/alteration of negotiable securities: 4 cases
(See Tables 2.04, 2.20, and Graph 2.16)

(b) Significant cases:

- (1) On April 23, 2008, Li X, the responsible person of Shi X Co., Ltd. assigned Hung X, the accountant of the company to process 3 certificates of deposit in Chungshan Branch of Cathay United Bank (NT\$20,000 for each certificate) and received the formal originals. On April 28, 2008, Li X endorsed the certificates of deposit to Li X Co., Ltd., which was also controlled by Li X, in order to find out about the endorsement process. On October 22, 2008, Shi X Co., Ltd. purchase a certificate of deposit in the amount of \$10,000 at Chuangshan Branch of Cathay United Bank, counterfeited it into \$30,000,000 and endorsed it to Mengjia Branch of Taipei Office, Taiwan Tobacco & Liquor Corp. false endorsement of pledge as guarantee of delayed payment of goods. Shi X Co., Ltd. received \$57,000,000 on credit and engaged in fraud of goods of \$56,540,000 which were sold to tobacco and liquor distributors Li X et al. The case was referred to Taipei District Prosecutors Office on September 16, 2009.
- (2) In March 2005, Chang X et al., the major shareholder and general manager of Chen X Accounting Firm, lied to Lin X about issuing checks of USD\$500 million of

Table 2.19 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2005 ~ 2009

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
2005	13	100.00%	-48.00%	36	100.00%	-34.55%	31,624,360,986	2936.57%
2006	12	92.31%	-7.69%	24	66.67%	-33.33%	336,910,700	-98.93%
2007	3	23.08%	-75.00%	8	22.22%	-66.67%	2,658,630	-99.21%
2008	7	53.85%	133.33%	12	33.33%	50.00%	970,133,661	36389.98%
2009	4	30.77%	-42.86%	14	38.89%	16.67%	3,448,564,708	255.47%

Notes: 1. Relative to 2005 (100%)

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

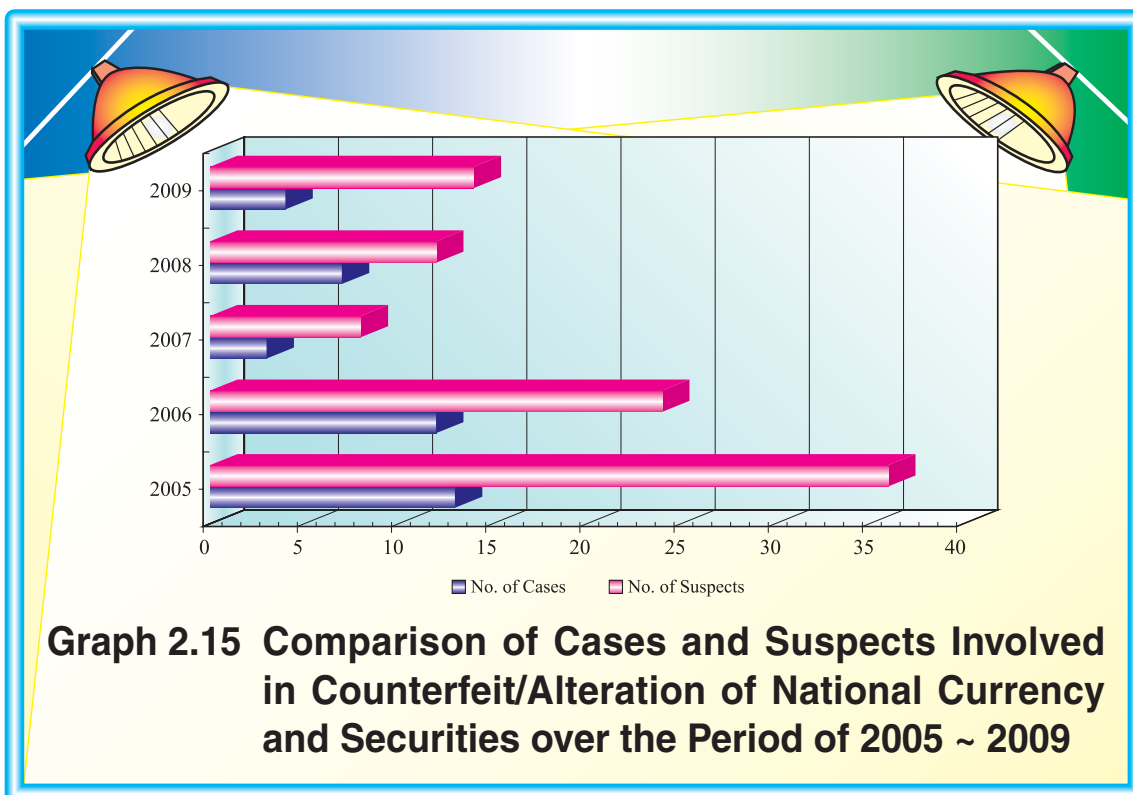
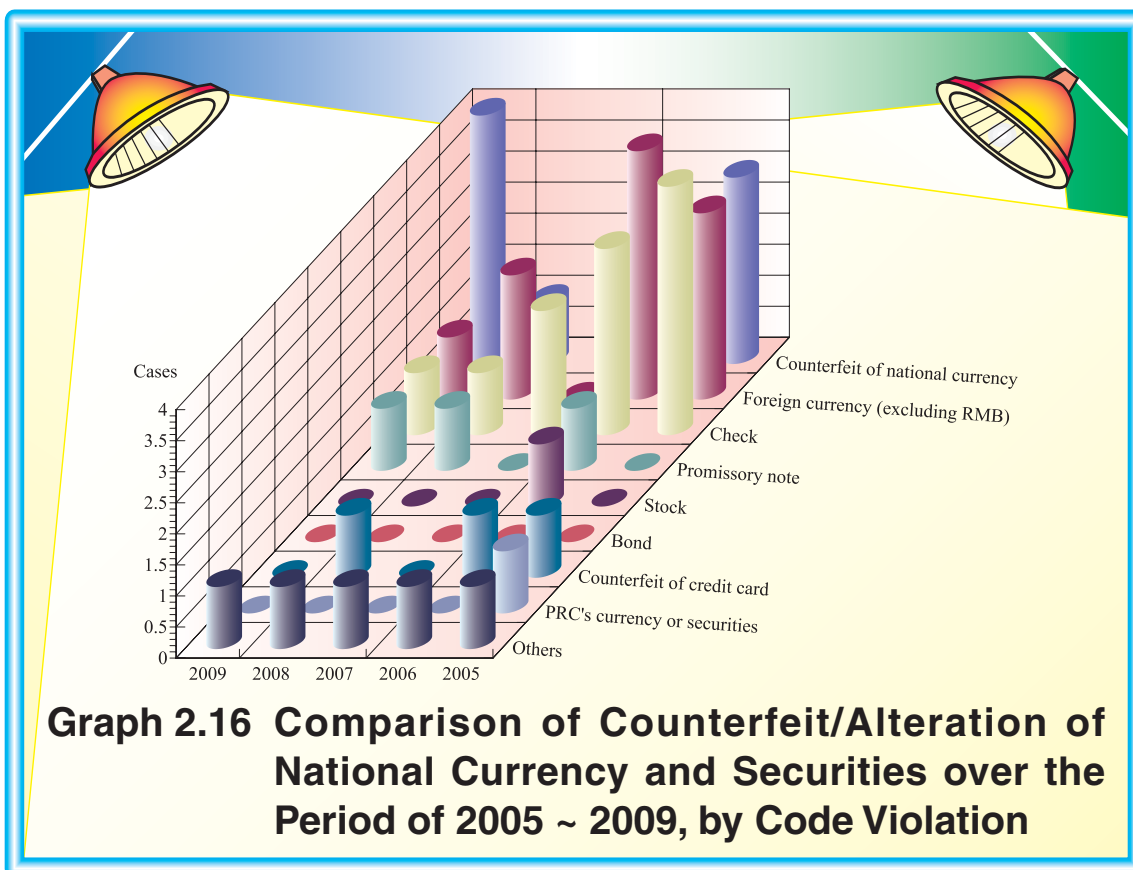


Table 2.20 Statistics of Counterfeit/Alteration of National Currency and Securities Cases over the Period of 2005 ~ 2009, by Code Violation

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
2005	3	10	3	4	0	0	0	1	1	1
2006	1	11	4	3	1	1	0	1	0	1
2007	0	3	0	2	0	0	0	0	0	1
2008	1	6	2	1	1	0	0	1	0	1
2009	4	14	1	1	1	0	0	0	0	1



foreign bank and required the prepaid amount of USD\$400,000 as advanced payment and USD\$ 175 million as commission. Chang X issued three checks of \$13,674,000 and 64,440,000 each, one check of \$32,220,000, one check of \$773,280,000, one check of \$773,280,000 and one check of \$780,000 (NT\$399,606,000 in total). In order to succeed the fraud, Chang X et al. offered five counterfeit postdated checks of the Standard Chartered Bank (USD\$20,000,000 for each and USD\$100,000,000 in total). The case was referred to Taipei District Prosecutors Office on December 3, 2009.

H. Violation of Tobacco and Alcohol Administration Act

(a) Statistics:

There were 4 tobacco and alcohol law violation cases referred in 2009, which was 42.86% less than the 7 cases in 2008; with 8 suspects, which was the same as in 2008; involving monetary value of \$4,337,085, which was 4.46% higher than \$4,152,003 in 2008 (see Tables 2.04, 2.05, and 2.21, and Graph 2.17).

(b) Significant cases:

(1) From April to December 2008, Hsu X, the responsible person

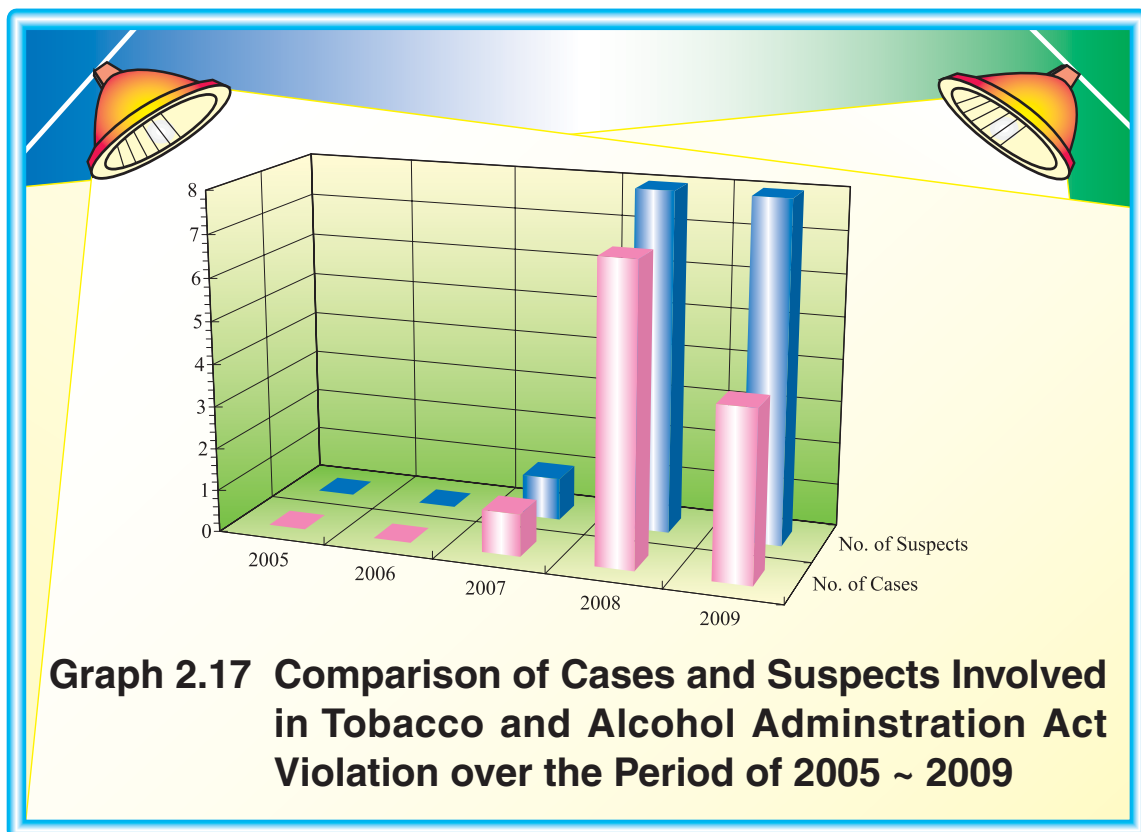
of Cheng X Food Co., Wen X Food Co. and Sheng X Winery in Pingtung County purchased 95% “un-denatured alcohol” without methanol and “denatured alcohol” with “n-Hexane” made in Vietnam or Thailand from A. C. & B. Co. of Singapore under the names of Ri X Co., Ltd. and Ji X Co., Ltd. He evaded the examination and tax of tobacco and liquor on “un-denatured alcohol” at customs by smuggling one container of “un-denatured alcohol” among two to four declared containers with “denatured alcohol” with “n-Hexane”. During the said period, he smuggled 184,488 liters of “un-denatured alcohol” and sold the alcohol to downstream liquor companies such as Tong X Liquor Co. and charged \$30~60 for every liter to make exorbitant profits. The case was referred to Kaohsiung District Prosecutors Office on April 16, 2009.

(2) In 2006, Deng X, the responsible person of Chi X Winery, Ni X, the responsible person of Hong X Liquor Co. and Peng X, the responsible person of a winemaker, imported tax-free denatured alcohol (industrial alcohol) from Vietnam with Lin X and made the said alcohol by distillation into rice wine, whiskey and Laoliang wine

Table 2.21 Statistics of Cases Concerning Violation of Tobacco and Alcohol Administration Act over the Period of 2005 ~ 2009

Year \ Item	No. of Cases	Percent Change*	No. of Suspects	Percent Change*	Amount Involved (NT\$)	Percent Change*
2005	0	-100.00%	0	-100.00%	0	100.00%
2006	0	NA	0	NA	0	NA
2007	1	NA	1	NA	25,435	NA
2008	7	600.00%	8	700.00%	4,152,003	16223.97%
2009	4	-42.86%	8	0.00%	4,337,085	4.46%

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



for sale. The Bureau detained 6 2,225.2 liters of denatured alcohol and alcohol with n-Hexane after distillation. The case was referred to Tainan District Prosecutors Office on June 17, 2009.

- (3) In May 2009, Li X, the responsible person of Lian X Co., Ltd. ordered one batch of foreign wine from Chang X, a businessman in the Philippines, and declared the import of female handbag to Kaohsiung Customs Office. However, he smuggled 85 boxes of tax-free foreign tobacco and 10 boxes of F brand tax-free foreign wines. On June 2, 2009, the goods were delivered by “OOCL FAIR” and arrived at Kaohsiung Port. After examination, officer in Kaohsiung Customs Office found that actual goods did not match the import manifest and B/L. The case was referred to Kaohsiung District Prosecutors Office on September 30, 2009.

I. Violation of the Banking Act

(a) Statistics:

There were 51 cases of the Banking Act violation referred in 2009, which was 12.073% less than the 58 cases in 2008; with 165 suspects, which was 17.91% less than the 201 suspects in 2008; involving monetary value of \$45,459,137,439, which was 39.59%

more than \$32,565,493,750 in 2008 (see Tables 2.04, 2.05, and 2.22, and Graph 2.18).

The cases include:

- (1) Raising illegal capital funds: 19 cases
 - (2) Unauthorized operation of remittance and acceptance: 25 cases
 - (3) Others: 7 cases
- (See Table 2.23, and Graph 2.19)

(b) Significant cases:

- (1) Chan X and Li X, the chairman and general manager of Shi X Co., Ltd. respectively, founded Great Chief Co. at British Virgin Island, by the reason of investing real estates overseas. From February to December 2006, they promoted “Five Fortunate Partnership” to Wei X et al. by fraud of USD\$ 5,000 for each unit, 0.9% as monthly interest rate, and return of full capital after five years. They gained illegal proceeds of USD\$15 million (NT\$487.5 million). The case was referred to Taipei District Prosecutors Office on January 6, 2009.
- (2) Ke X, the responsible person of Ju X Food Co. and Ju X Development Co. and Li X, the responsible person of Hsin X Co., Ltd. as well as financial supervisors Yeh X et al. promoted “Wande Card of

Table 2.22 Statistics of Cases Concerning Violation of Banking Act over the Period of 2005 ~ 2009

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
2005	16	100.00%	60.00%	35	100.00%	-30.00%	8,180,380	-23.87%
2006	42	262.50%	162.50%	238	680.00%	580.00%	87,148,666	965.34%
2007	48	300.00%	14.29%	151	431.43%	-36.55%	64,729,832	-25.72%
2008	58	362.50%	20.83%	201	574.29%	33.11%	32,565,493	-49.69%
2009	51	318.75%	-12.07%	165	471.43%	-17.91%	45,459,137	39.59%

Notes: 1. Relative to 2004 (100%)

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

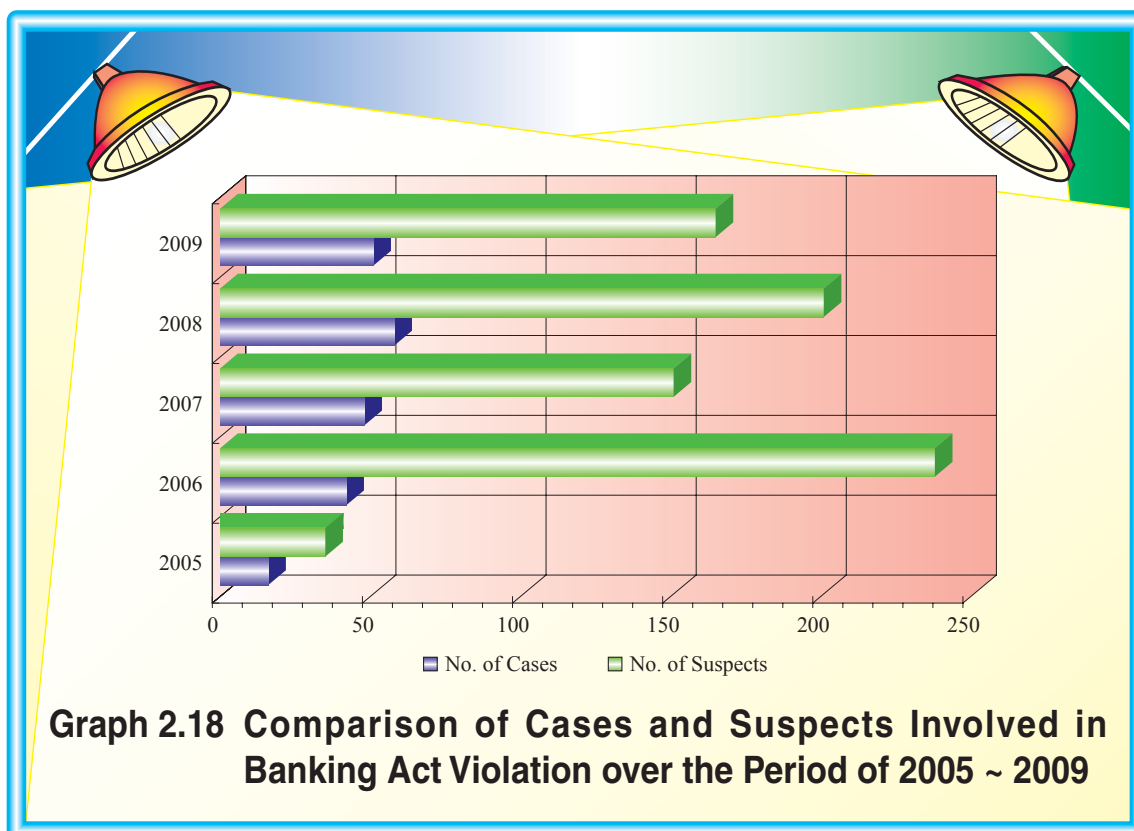


Table 2.23 Statistics of Cases Concerning Violation of Banking Act over the Period of 2005 ~ 2009, by Code Violation

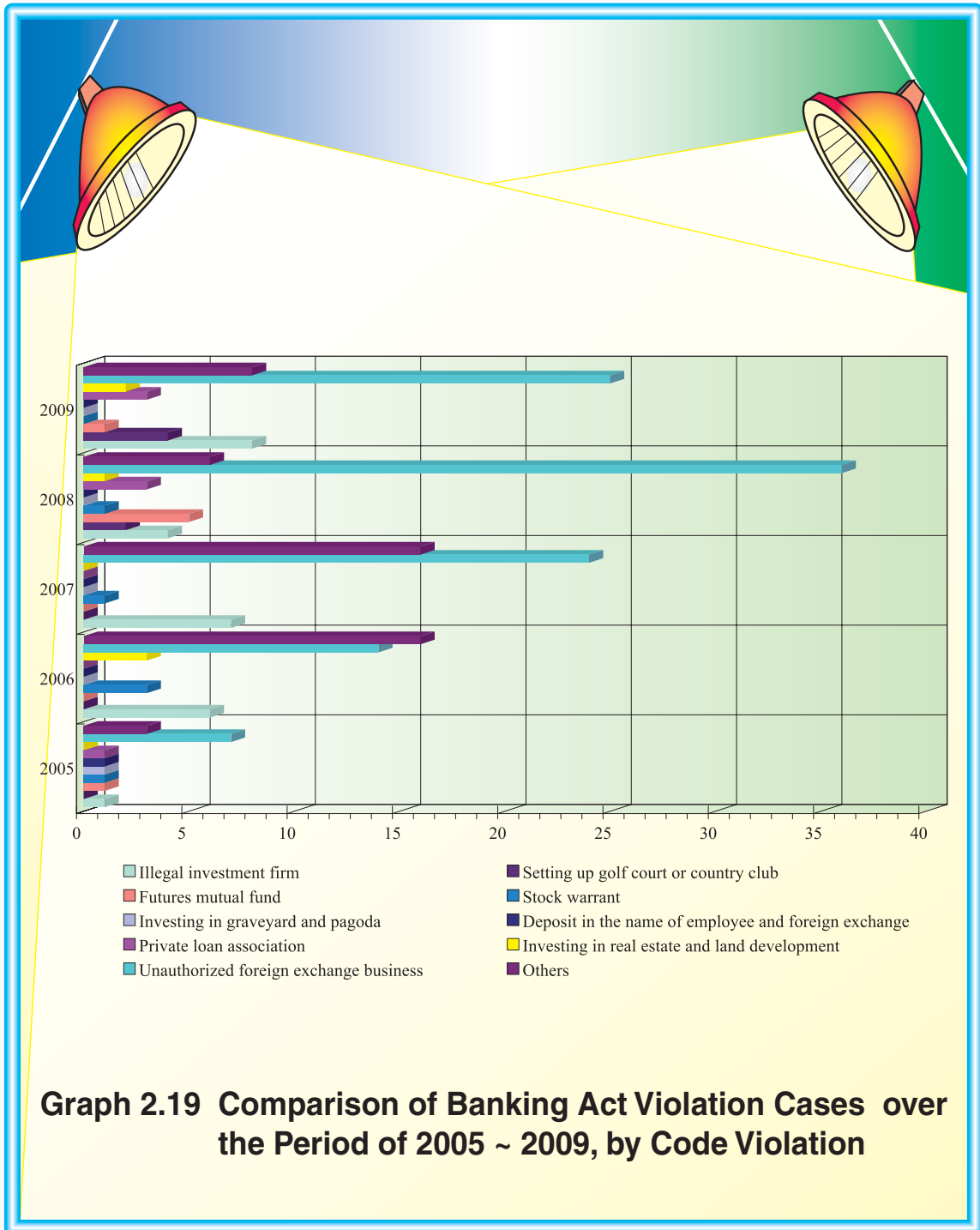
Item Year	No. of Cases	Relative Rate ¹	Percentage Change ²	Illegal investment firm	Setting up golf court or country club	Futures mutual fund	Stock warrant	Investing in graveyard and pagoda
2005	16	100.00%	60.00%	1	0	1	1	1
2006	42	262.50%	162.50%	6	0	0	3	0
2007	48	300.00%	14.29%	7	0	0	1	0
2008	58	362.50%	20.83%	4	2	5	1	0
2009	51	318.75%	-12.07%	8	4	1	0	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
2005	1	1	0	7	3
2006	0	0	3	14	16
2007	0	0	0	24	16
2008	0	3	1	36	6
2009	0	3	2	25	8

Notes: 1. Relative to 2005 (100%)

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



Ju X Shopping Mall” to specific investors under the excuse of developing the original site of Changli plant of Ju X Food Co. into a shopping mall. Investors transferred membership fee of \$50,000 or \$100,000 for each unit to “Ju X Shopping Mall Development Account” opened by Ju X Development Co. in Chengnei Branch of Hua Nan Bank. According to statistics, from February 2004 to July 2008, they recruited 5,344 members, and gained capital of \$991,810,000. The case was referred to Taipei District Prosecutors Office on January 13, 2009.

- (3) From January 2007 to August 2009, Kuo X, Kuo X and Chen X set the account at Sihua Branch of Sunny Bank as the window for Chang X who engaged in cross-strait underground remittances. After receiving the amount transferred by clients in Taiwan, Chang X paid RMB of equivalent value in China according to the clients’ instruction. After receiving RMB in China to be transferred to Taiwan, Chang X instructed Kuo X et al. by fax to transfer NTD of equivalent value to the account designated by the clients. Chang X paid \$30,000~ 50,000 to Kuo X, Kuo X and Chen X every month.

The total amount transferred was \$4,421,177,128. The case was referred to Tainan District Prosecutors Office on September 4, 2009.

- (4) In order to continue controlling the management rights of Guo X Financial Holding by Bao X Lease Co., in August 2005, Chen X, the vice president of Bao X Bank, authorized his friend Chan X to arrange Bao X Investment Co., an affiliate of Yi X Co., Ltd, to enter the bid and acquire 99,000,000 shares of Bao X Lease Co., in a total amount of \$482 million (NT\$4.87 for each share). Chen X instructed related enterprises of Nai X Group, such as Jiang X Dairy Co., controlled by Huang X, the financial supervisor of Nai X Group to lend money to Bao X Investment Co. with interest-free loans to pay the shares of Bao X Lease Co. He also processed fiduciary loan without guarantees at Chunghsiao Branch of Bao X Bank under the name of Bao X Investment Co. Besides providing 49,000,000 shares of Bao X Lease Co. as the second guarantees (since Bao X Bank was not a listing company, the shares could not be guarantees; and the second guarantees were not the real ones), he also asked Chan X to be the

guarantor to cover up the fact that Chen X granted a loan under others' names and resulted in financial distress of Bao X Bank. On October 21, 2005, \$214 million was allotted to Bao X Investment Co. Afterwards, in order to avoid influence of negative financial condition of Bao X Lease Co. on financial statement of Yi X Co., Ltd., the parent company, Chan X demanded Chen X to purchase back 50,000,000 shares of Bao X Lease Co. Chen X asked his friends Chian X, Chang X and Bai X to undertake the shares, and promise to raise funds to buy the shares and to purchase back shares of Bao X Lease Co. On December 29, 2005, Chian X, Chang X, and Bai X respectively purchased 10,000,000 shares, 10,000,000 shares and 30,000,000 shares of Bao X Lease Co. from Bao X Investment Co. by \$5 per share under the names of He X Investment Co., Tai X Warehousing Co., Ltd. and Hsin X Co., Ltd., respectively. Among others, only He X Investment Co. paid \$15,000,000 on the same day and other amounts did not enter the account on time. In April 2006, Chen X arranged Hsin X Co., Ltd. and Tai X Warehousing Co., Ltd. to transact fiduciary loan without guarantees at Chungkang

Branch of Bao X Bank. They respectively purchased 30,000,000 and 10,000,000 shares of Bao X Lease Co. as the second guarantees and asked Chang X et al to be the guarantor to cover up the fact that Chen X granted under others' names and result in financial distress of Bao X Bank. On April 24, 2006 and May 10, 2006, \$110,000,000 and \$50,000,000 were allotted for Hsin X Co., Ltd. and Tai X Warehousing Co., Ltd. to pay for the shares of Bao X Lease Co. After Bao X Investment Co. received the money, it paid the loan from related enterprises of Nai X Group by false accounts which violated the Banking Act. The case was referred to Taipei District Prosecutors Office on April 14, 2009.

J. Infringement of Intellectual property rights
(a) Statistics:

There were 105 Intellectual property infringement cases referred in 2009, which was 32.91% more than the 79 cases in 2008; with 150 suspects, which was 20% more than the 150 suspects in 2008; involving monetary value of \$1,466,603,289, which was 52.97% less than \$3,118,669,322 in 2008 (see Tables 2.04, 2.05, and 2.24, and Graph 2.20).

The cases include:

- (1) Violation of the Trademark Act: 75 cases
 - (2) Violation of Copyright Act: 30 cases
(See Table 2.04, 2.24, and Graph 2.21)
- (b) Significant cases:
- (1) Since July 2007, Feng X, a Hong Kong national, has rented 10 server hosts from Tseng X (who rented 40 to 50 server hosts from an e-commerce company in Texas, U.S., and applied for FTTB of Chunghwa Telecom to rent out online storage) by \$30,000~50,000 per month to construct the websites and operate “Plus××.com”. Feng X was aware that the 338 movies, such as “Enchanted”, were films with intellectual property rights owned by the member of MPA; intellectual property rights of 12,115 songs, such as “The Next Dawn”, were owned by member of IFPI. Without the authorization from the owners of the intellectual property rights, reproduction or transmission of the works in public was prohibited. However, in July 2007, Plus××.com provided access for its paid members to download the movies and music from the website, which seriously violated the intellectual property rights. According to the identification of MPA, IFPI, the amount of infringement was \$217,380,000. The case was referred to Taipei District Prosecutors Office on January 12, 2009.
 - (2) Tsao X, the actual responsible person of Shan X Co., in June 2008, authorized Shanghai Hsing X Logistics Co. to declare one batch of plastic dining utensils from China to Keelung Customs Office by Li X customs agent. When examining the container, the officer of Keelung Customs Office found 2,280 trays with counterfeit trademark of HELLO KITTY, 2,880 bowls for children with counterfeit trademark of MICKEY MOUSE, 51,840 small spoons, 8,640 large spoons and 1,440 bowls with counterfeit trademark of CLASSIC POOH. The case was referred to Taipei District Prosecutors Office on June 1, 2009.
 - (3) Chen X, the responsible person of Pa X Clothing Store, was aware that well-known brands such as “LOUIS VUITTON”, “HERMES”, “OMEGA” and “PATEK PHILIPPE” of leather products and watches produced by 19 companies, such as French Moet Hennessy Louis Vuitton were registered at the Intellectual Property Office of Ministry of Economic Affairs. However,

Table 2.24 Statistics of Involved in Intellectual Property Rights Infringement Cases and Types over the Period of 2005 ~ 2009

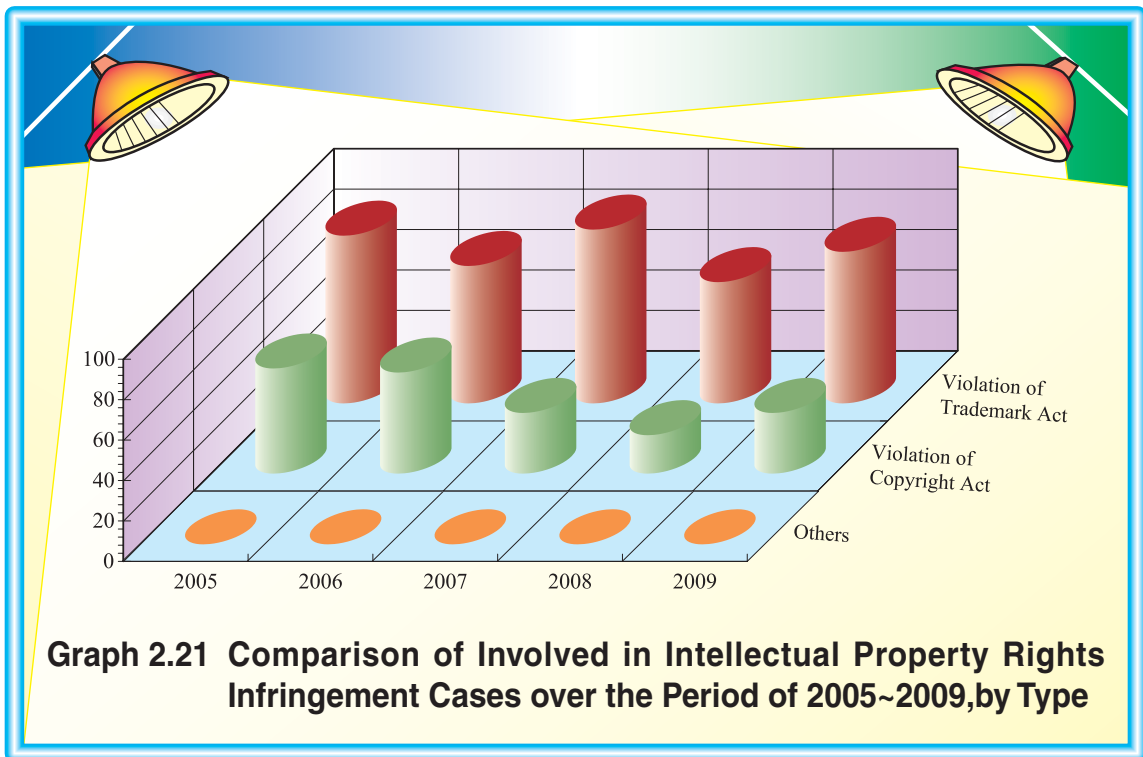
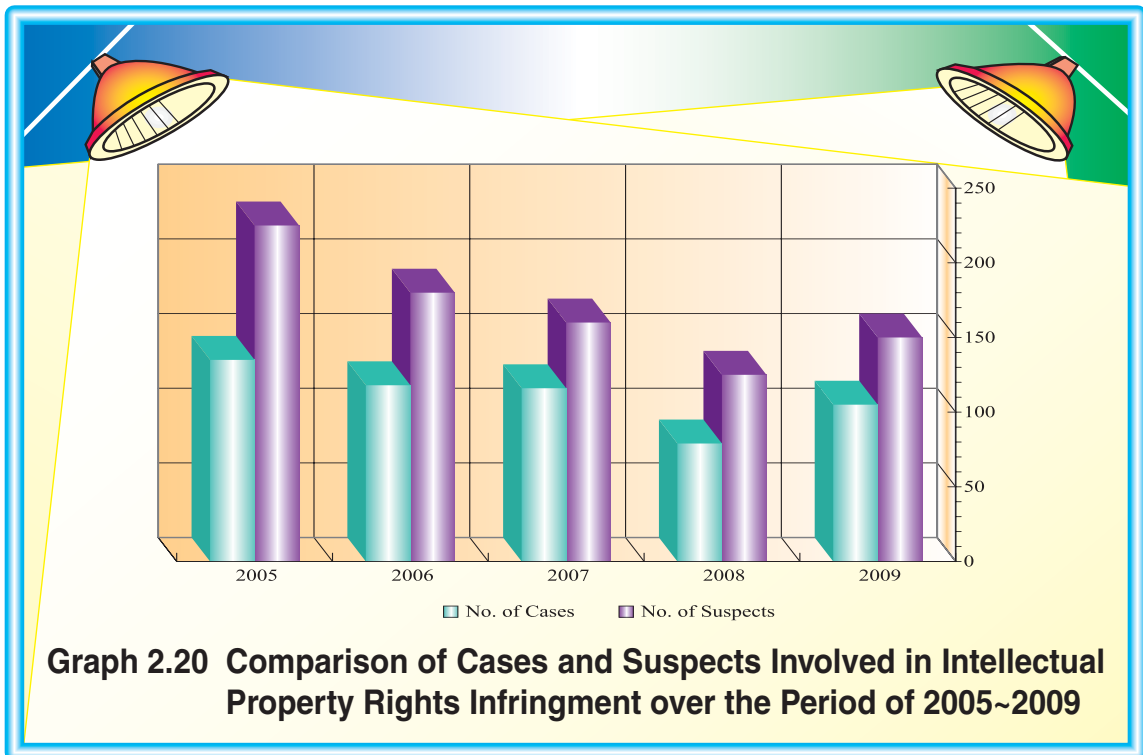
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²	Amount Involved (NT\$1,000)	Percent Change ²
	2005	135	100.00%	-14.01%	225	100.00%	-24.50%	994,891
2006	118	87.41%	-12.59%	180	80.00%	-20.00%	3,340,230	235.74%
2007	116	85.93%	-1.69%	160	71.11%	-11.11%	13,328,078	299.02%
2008	79	58.52%	-31.90%	125	55.56%	-21.88%	3,118,669	-76.60%
2009	105	77.78%	32.91%	150	66.67%	20.00%	1,466,603	-52.97%

Table 2.24 (cont.)

Item Year	Violation of Trademark Act		Violation of Copyright Act		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2005	83	138	52	87	0	0
2006	68	115	50	65	0	0
2007	86	118	30	42	0	0
2008	60	89	19	36	0	0
2009	75	90	30	60	0	0

Notes: 1. Relative to 2005 (100%)

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



without any authorization from the trademark owners, since 2008, Chen X has been selling the counterfeit leather bags and watches by less than 10% prices of the real products. The Bureau detained 51 counterfeit products of brands, such as LOUIS VUITTON, and the amount of infringement was \$28,000,000. The case was referred to Taipei District Prosecutors Office on September 20, 2009.

K. Violation of the Securities & Exchange Act

(a) Statistics:

There were 80 cases of the Securities & Exchange Act violation referred in 2009, which was 15.94% more than the 69 cases in 2008; with 323 suspects, which was 9.49% more than the 295 suspects in 2008; involving monetary value of \$38,782,411,372, which was 43.3% more than \$27,069,396,409 in 2008 (see Table 2.04, 2.05, and 2.25, and Graph 2.22).

The cases include:

- (1) Settlement default: 0 case
- (2) Insider trading: 11 cases
- (3) Stock price manipulation: 22 cases
- (4) Illegal financing/security loan: 0 case
- (5) Unauthorized business operations: 9 cases
- (6) Unauthorized issuance of

securities: 3 cases

(7) Others: 35 cases

(See Table 2.25, and Graph 2.23)

(b) Significant cases:

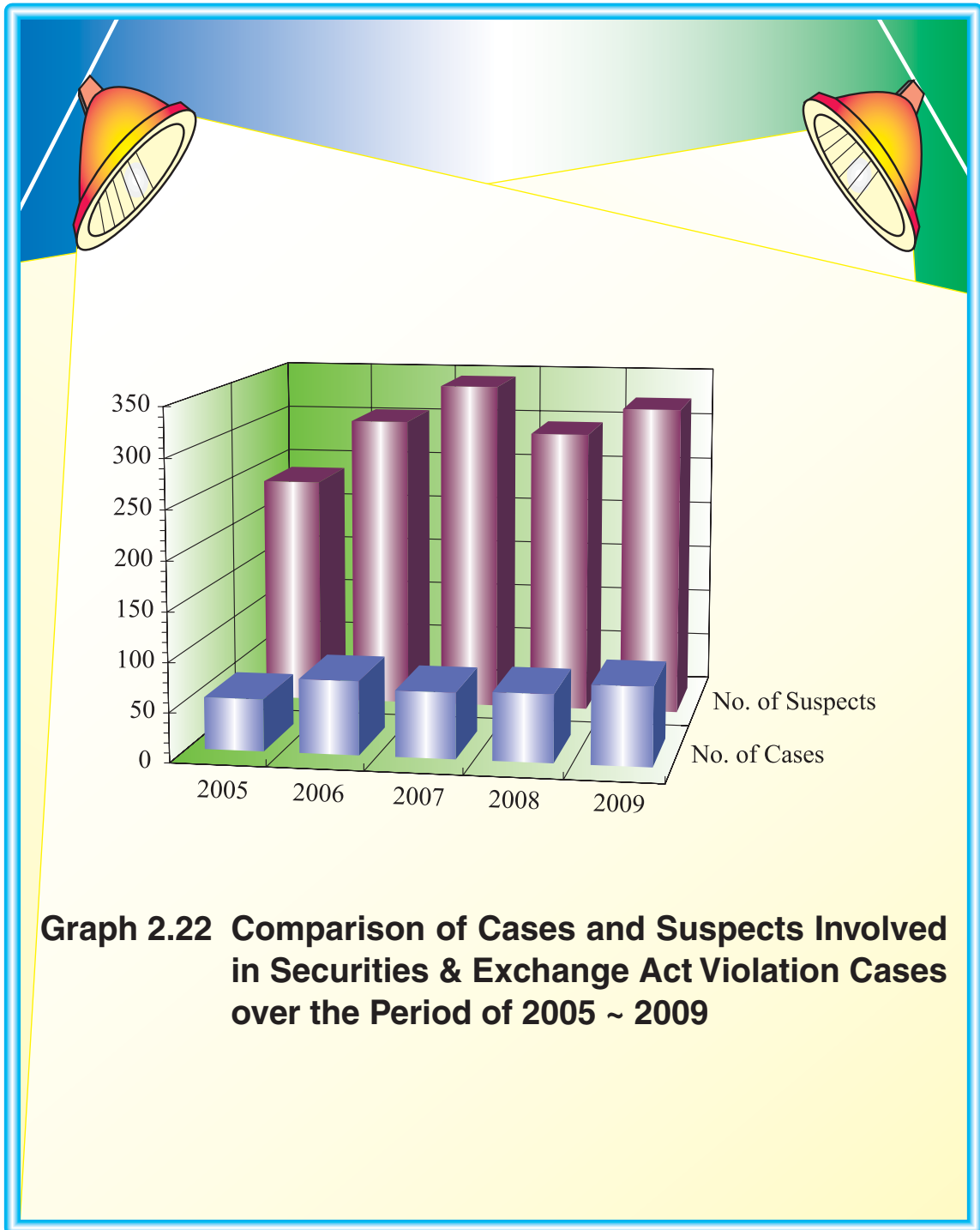
- (1) From July 2007 to February 2008, Lin X, the former president, Weng X, the current president, and Chiang X, the vice president of Nan X Tire Co. as well as Lin X et al., the registered persons in charge of Yuan X Investment Co. and Chi X Investment Co. intended to influence the stock price of Nan X Tire Co. in investment department by accounts of Yuan X Investment Co., Chi X Investment Co. and Nan X Tire Co. as well as dummy accounts of Chen X, the father of Chen X, and Hsieh X, the supervisor of the company. They bought shares of Nan X Tire Co. at high price or sold the shares at low price to gain illegal profits, in amount of \$1,382,127,363. The case was referred to Taipei District Prosecutors Office on February 18, 2009.
- (2) In November 2005, Lo X and Peng X, the president and general manager, of Tai X Industrial Bank, respectively, in order to solve the loss caused by investors' redeeming due to significant declination of net value of structural bonds of securities firm, the subsidiary

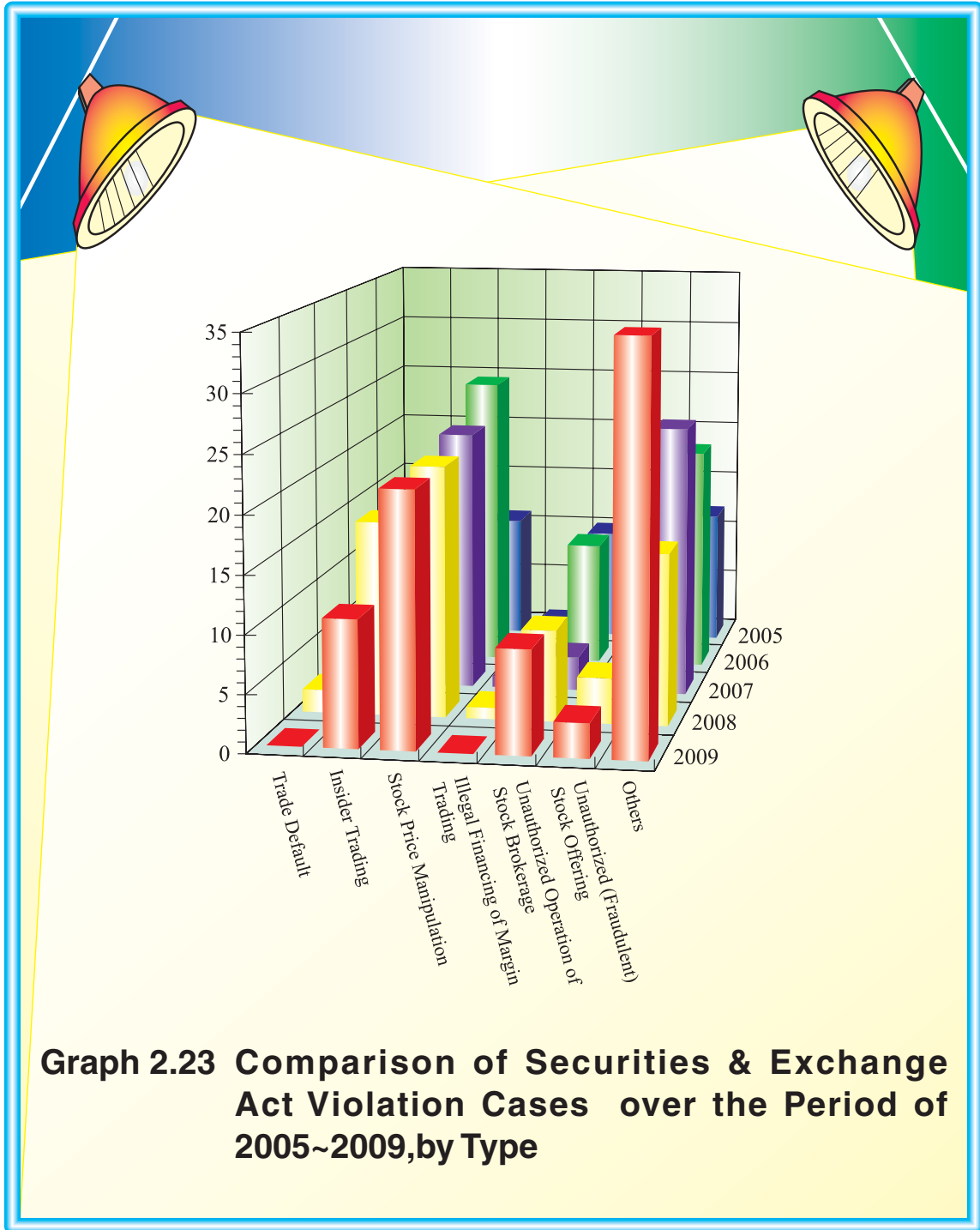
Table 2.25 Statistics of Involved in Securities & Exchange Act Violation Cases and Types over the Period of 2005 ~ 2009

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
2005	53	100.00%	17.78%	238	100.00%	46.01%	73,770,393	357.12%	3	3	11	24
2006	75	141.51%	41.51%	305	128.15%	28.15%	27,120,080	-63.24%	0	0	15	57
2007	67	126.42%	-10.67%	344	144.54%	12.79%	76,178,028	180.89%	1	4	14	59
2008	69	130.19%	2.99%	295	123.95%	-14.24%	27,063,396	-64.47%	2	20	17	93
2009	80	150.94%	15.94%	323	135.71%	9.49%	38,782,411	43.30%	0	0	11	60

Table 2.25 (cont.)

Item Year	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
2005	11	48	1	4	10	34	5	22	12	103
2006	26	114	0	0	11	25	3	9	20	100
2007	23	85	1	1	3	11	1	5	24	179
2008	22	76	1	4	8	17	4	12	15	73
2009	22	71	0	0	9	21	3	10	35	161





Graph 2.23 Comparison of Securities & Exchange Act Violation Cases over the Period of 2005~2009, by Type

of Tai X Industrial Bank, in the second half of 2004, they were aware of increasing interests, but still decided, on December 1, 2005, to issue the package of structural bonds purchased from investors and foreign CDS(Credit Default Swap). The interest was lower than CBO in the market. They gained profits of securities, in the amount of \$11,500,000,000. They instructed securities firm, the subsidiary of Tai X Industrial Bank, to be the undertaker responsible for the sales of \$4,000,000,000. In order to accomplish the instruction of Lo X and Peng X, Lin X and Hsu X, the president and general manager of securities firm of Tai X Industrial Bank, were aware that securities firm of Tai X Industrial Bank would not succeed in sales of “2005 IBT Debt”, and they still intended to allow “2005 IBT Debt” to meet the distribution criteria of listing company and regulations announced by the Financial Supervisory Commission, Executive Yuan. They negotiated with Hua X Securities, Lian X Bank and Wan X Securities to purchase “2005 IBT Debt” of Securities of Tai X Industrial Bank in primary market and promised to buy back from Hua X Securities by certain interests. In addition, Yao X,

the vice general manager founded Shi X Co., Ltd. in the name of Chou X, spouse of Tsai X, the assistant manager of management department, and purchased “2005 IBT Debt”. He also increased the resell amount of the company in Securities of Tai X Industrial Bank by counterfeit report and sold “2005 IBT Debt” purchased from Hua X Securities, Lian X Bank and Wan X Securities and “2005 IBT Debt” which could not be sold to dummy companies such as Shi X, Jian X, X Da, and Tian X controlled by Tai X Industrial Bank and Securities of Tai X Industrial Bank through reselling. However, in fact, they did not receive the money and since December 1, 2005, the company has been having counterfeit transaction with Securities of Tai X Industrial Bank, in the amount of \$3,590,000,000 to avoid the fact that enterprises could not share beneficiary’s interests and repayment of capital. Due to financial crisis, “2005 IBT Debt” was degraded as non-investment level of twCCC and twCC and other financial institutions intended to practice repayment and interest receiving for Securities of Tai X Industrial Bank. Thus, companies such as Shi X had settlement default on December 19, 2008. The

case was referred to Shilin District Prosecutors Office on June 19, 2009.

- (3) In 2004, Chou X, the former responsible person, Pao X, the current responsible person, Shang X, the former general manger, Lin X, the former financial vice general manager, and Tang X, the former managing director of Chung X Textile Co. were aware that Ji X Co., Ltd., a subsidiary of the company, has not offset the amount of \$97,145,00 for advanced payment for material procurement. However, they modified the contract of payment by the excuse that Ji X Co., Ltd. needed more funds to purchase the materials and prepaid \$291,930,000. By 2006, Ji X Co., Ltd. was bankrupt and still had \$231,095,000 to be offset, which became a bad debt. Chou X et al. were aware that the loan to companies Ji X et al. was 40% over the financial net value; however, they violated the regulations and used the board of directors to loan \$19,500,000 to Ji X et al. and violated the shareholders' rights. The case was referred to Taipei District Prosecutors Office on July 29, 2009.
- (4) In February 2006, Hua X Securities was authorized to underwrite shares of Yi X Optical Technology

Co., Ltd. before being the listed company. Hsu X, former president and Lin X, vice general manager of underwriting department, were aware that directors, supervisors, employees and their spouses and relatives within the second-degree relationship of underwriter could not participate in fund raising and purchase; however, they violated the underwriting and used 34 dummy accounts of Hsu X of Hua X Securities and employee Chung X et al. of Yuan X Co., Ltd., and sold the shares of Yi X Optical Technology Co., Ltd at a low price of \$218. They also instructed Lin X, the vice general manager of financial department of Yuan X Co., Ltd. and Hsu X of Hong X Investment Co. to collect the funds and transfer them to the dummy accounts in order to pay the transaction. After Yi X Optical Technology Co., Ltd. became a listing company, they sold the stocks at high prices and gained illegal proceeds, in the amount of \$746,040,000. The case was referred to Banchiao District Prosecutors Office on August 25, 2009.

- (5) Huang X, the responsible person of Shi X Co., Ltd. recognized the serious debts due to rapid business expansion, and the business volume

did not meet the standard of listing company. In order to improve business performance and financial statement, since 2001, he has conducted counterfeit transaction with 10 firms, such as Guang X, and instructed Chen X, the manager of financial department, Yang X, the specialist, and Tsai X et al., the employees who were not aware of the crimes, to produce fraudulent cash flow and logistics certificate to result in fraudulent financial statement. From January 2002 to December 2004, Shi X et al. produced fraudulent payable of \$1,135,030,000 and receivable of \$1,122,500,000. The case was referred to Banchiao District Prosecutors Office on October 13, 2009.

L. Violation of the Fair Trade Act

(a) Statistics:

There was 1 case of the Fair Trade Act violation referred in 2009, which was 66.67% less than 3 cases in 2008; with 1 suspect, which was 88.89% less than 9 suspects in 2008; involving monetary value of \$13,400,000, which was less 96.95% than \$43,969,000 in 2008 (see Tables 2.04, 2.05, and 2.26, and Graph 2.24).

(b) Significant cases:

Since June 2006, Lin X of Ye X

Co. has recruited people by “Coming Fortunes” campaign. However, the members’ incomes were the bonus by introducing others to join in instead of incomes by selling products or labor. It violated the Fair Trade Act. The case was referred to Taichung District Prosecutors Office on July 10, 2009.

M. Violation of the Futures Trading Law

(a) Statistics:

There were 17 cases of the Futures Trading Law violation referred in 2009, which was 13.33% more than the 15 cases in 2008; with 52 suspects, which was 8.77% less than the 57 suspects in 2008; involving monetary value of \$1,287,762,558, which was 55.11% less than \$2,868,701,730 in 2008 (see Tables 2.04, 2.05, and 2.27, and Graph 2.25).

(b) Significant cases:

(1) Hsieh X, the responsible person of Fu X Asset Management Co., was aware that without authorization, the company could not operate futures management and consulting service. However, the company signed the contract with T.I. Co. in Malaysia and hired salespersons, such as Huang X et al., to recruit the clients Wu X et al. in Taiwan, by advertising, foreign currency transaction information and analysis, to have

Table 2.26 Statistics of Cases Concerning Violation of Fair Trade Act over the Period of 2005 ~ 2009

Item Year	No. of Cases	Percent Change ²	No. of Suspects	Percent Change ²	Amount Involved (NT\$)	Percent Change ²
2005	0	-100.00%	0	-100.00%	0	NA
2006	1	NA	2	NA	0	NA
2007	0	-100.00%	0	-100.00%	0	NA
2008	0	NA	9	NA	43,969,600	NA
2009	1	-66.67%	1	-88.89%	1,340,000	-96.95%

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

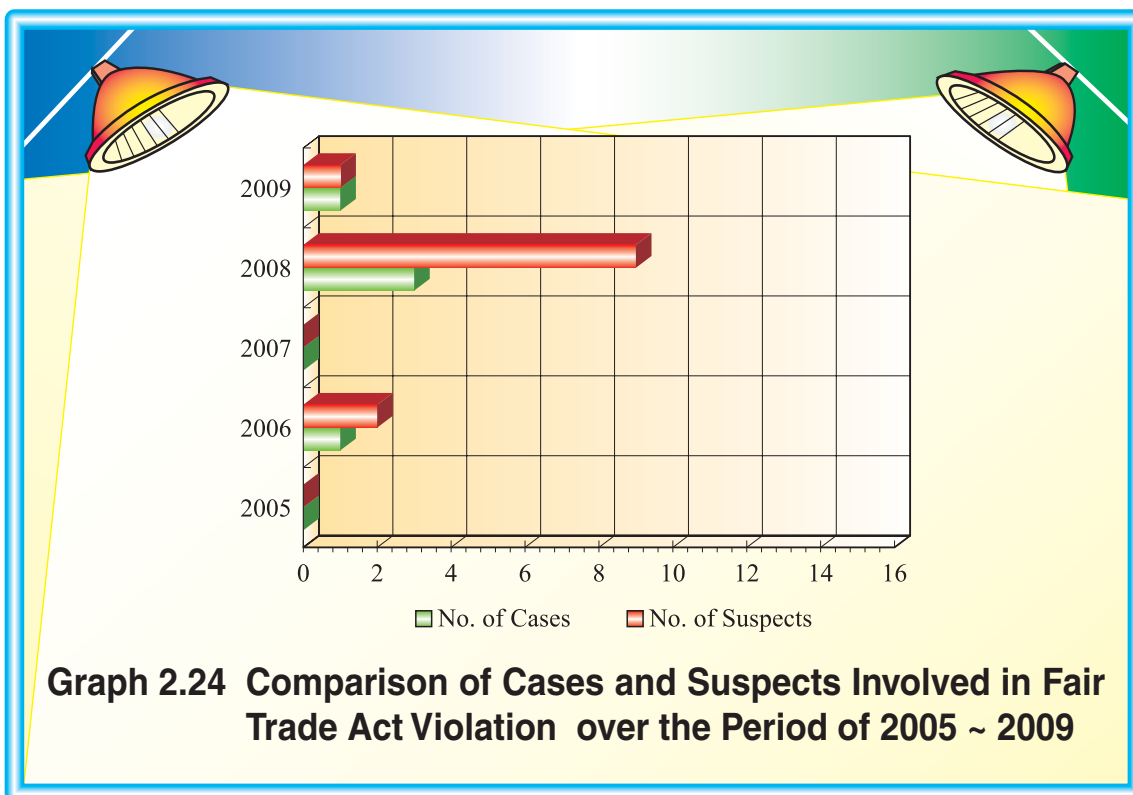
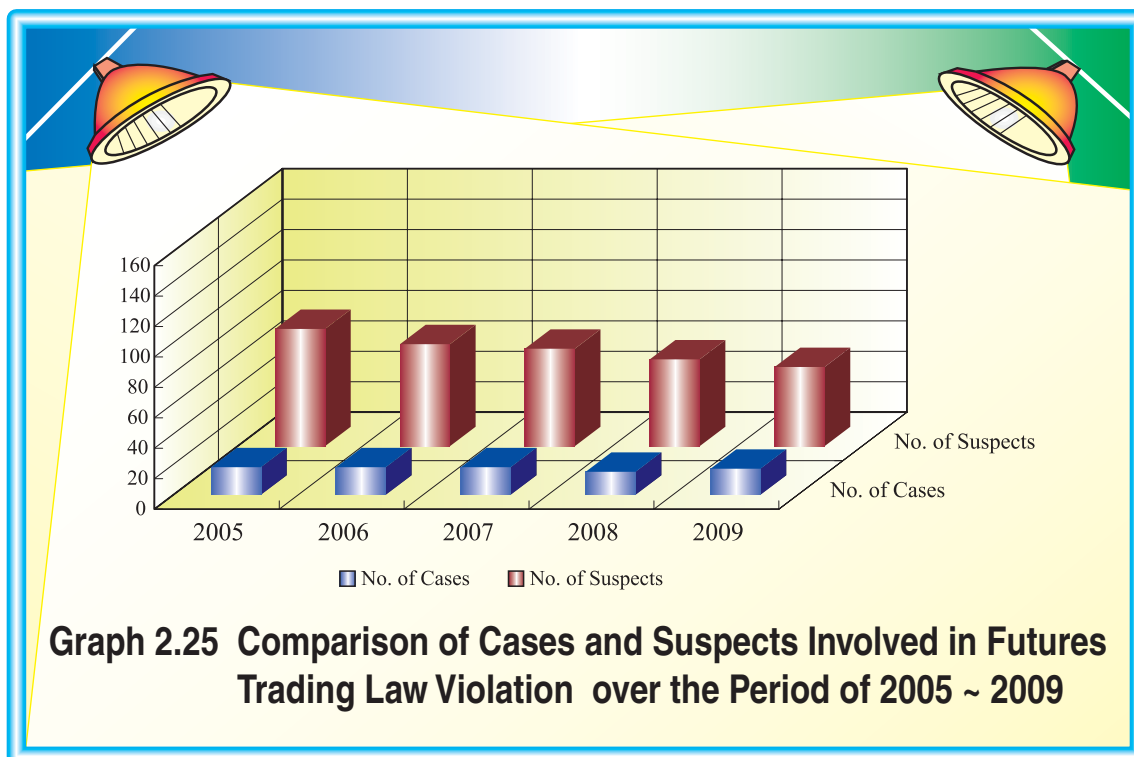


Table 2.27 Statistics of Cases Concerning Violation of Futures Trading Law Violation Cases over the Period of 2005 ~ 2009

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
2005	18	100.00%	-17.24%	77	100.00%	-8.89%	115,285,200	36.43%
2006	18	100.00%	0.00%	67	87.01%	-12.99%	872,744,247	657.03%
2007	18	100.00%	0.00%	64	83.12%	-4.48%	258,387,947	-70.39%
2008	15	83.33%	-16.67%	57	74.03%	-10.94%	2,868,701,730	1010.23%
2009	17	94.44%	13.33%	52	67.53%	-8.77%	1,287,762,558	-55.11%

Notes: 1. Relative to 2005 (100%)

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



“exchange for physical foreign currency and deposit transaction”. The clients directly transferred the investment (USD\$ 20,000 for each unit) to account of M.I. Co. in Malaysia designated by T. I. and authorized the salespersons to manipulate the transaction of foreign currency (value increasing account). Daily settlement price was sent by investors by Fu X Asset Management Co. which had 40% profits of investors as commission. The company accumulated an investment amount of USD\$144,480,000. The case was referred to Taipei District Prosecutors Office on March 24, 2009.

- (2) Since July 2006, Chen X operated an underground futures firm and received fees from \$350 to 400 for each person. Rise and fall of each point was based on \$200. Clients could gamble weighted stock price in Taiwan by telephone. Account of Li X was for clients' transfers. Chen X hired Liou X to manage the account and received the cash at the counter of banks. By May 20, 2009, transaction amount was \$315,160,000. The case was referred to Taipei District Prosecutors Office on June 29, 2009.
- (3) Since 2007, Hsu X, the responsible

person of Bai X IT Co., Kai X Co., Ltd. and Asia Gai X Asset Management Co., without the permission from the Financial Supervisory Commission, Executive Yuan, produced and broadcasted program of stock and futures analysis on Chung X Financial TV Station and Cyber X video classroom, and sold software “Predictions of Stocks and Futures”. The hosts Liou X et al. introduced the time to buy and sell the stocks and futures, and received illegal proceeds in an amount of \$18,940,000. From March 2008 to February 2009, he illegally operated underground futures and stocks brokerage agency, and recruited the clients to gamble indices of stocks and futures, and illegally acquired profits in an amount of \$84,150,000. The case was referred to Taipei District Prosecutors Office on July 2, 2009.

N. Violation of the Insurance Law

(a) Statistics:

There were 7 cases of the Insurance Law violation referred in 2009, which was 200% more than the 2 cases in 2008; with 15 suspects, which was 200% more than the 5 suspects in 2008; involving monetary value of \$3,116,255,543, which was 813.19% more than the \$341,250,000 in 2008

(see Tables 2.05, 2.28, and Graph 2.26).

(b) Significant cases:

- (1) Since 2003, Chang X founded AIIT Tai X Service Center, sold the insurance policy (AIIT) of Ma X Co. (an US-based company) without authorization, hired 10 salespersons, Lin X et al., as the members and instructed administrative assistant Chang X to send the insurance documents and certificates of payment to the headquarters of Ma X Co. in the US. He received commissions in the amount of USD\$380,000(NT\$12,730,000). The case was referred to Tainan District Prosecutors Office on May 11, 2009.
- (2) Since 2003, Shiu X, the responsible person of Li X Management Co. and Li X Financial Consulting Co., without the permission from the Financial Supervisory Commission, Executive Yuan, sold offshore insurance of B.M.I. to Chien X et al. through salespersons Jao X et al. The company sold insurances in the amount of \$1,890,000,000, and received commissions of \$280,000,000. The case was referred to Taipei District Prosecutors Office on August 14, 2009.

O. Other cases that undermined economic order

(a) Statistics:

There were 22 other economic crimes referred in 2009, which was 21.43% less than the 22 cases in 2008; with 116 suspects, which was 90.16% more than the 61 suspects in 2008; involving monetary value of \$4,013,973,828, which was 1.48% more than \$3,955,546,983 in 2008 (see Tables 2.04, 2.05, and 2.29, and Graph 2.27).

The cases include:

- (1) Violation of the Telecommunications Conservation Act: 1 case
- (2) Violation of the Company Law: 9 cases
- (3) Computer crimes: 6 cases
- (4) Others: 6 cases

(b) Significant cases:

Shao X, the former responsible person of Wei X Biotechnology Co., Ltd., was aware that shareholders did not pay for the shares. In order to complete the business registration process, on September 1, 2003, he transferred \$28,000,000 to account 1601005×××× of the preparatory office of Wei X Co., Ltd. at Jen-ai Branch of First Commercial Bank to produce fraudulent deposit, and completed the registration at the Business Administration Office, Taipei

Table 2.28 Statistics of Cases Concerning Violation of Insurance Law Violation Cases over the Period of 2005 ~ 2009

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
2005	3	100.00%	-50.00%	7	100.00%	-12.50%	30,480,000	-78.63%
2006	2	66.67%	-33.33%	15	214.29%	114.29%	1,198,324,708	3831.51%
2007	3	100.00%	50.00%	8	114.29%	-46.67%	106,602,011	-91.10%
2008	2	66.67%	-33.33%	5	71.43%	-37.50%	341,250,000	220.12%
2009	7	233.33%	250.00%	15	214.29%	200.00%	3,116,255,543	813.19%

Notes: 1. Relative to 2005 (100%)

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

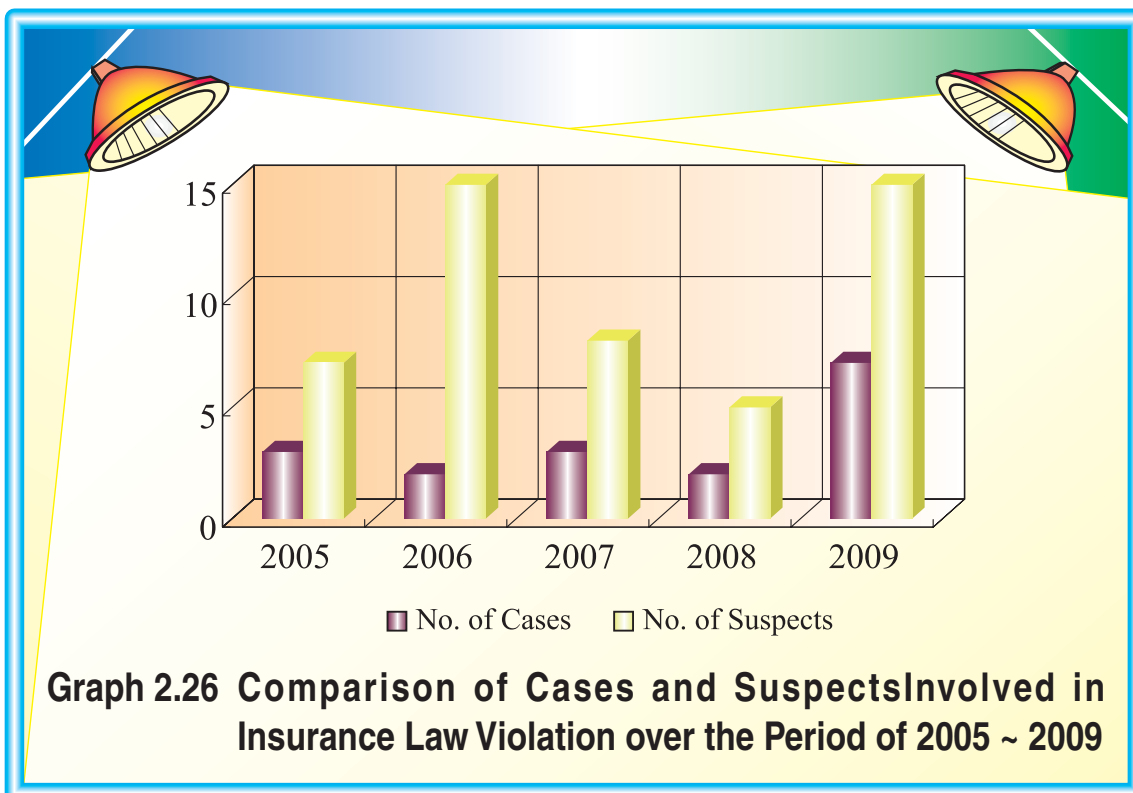
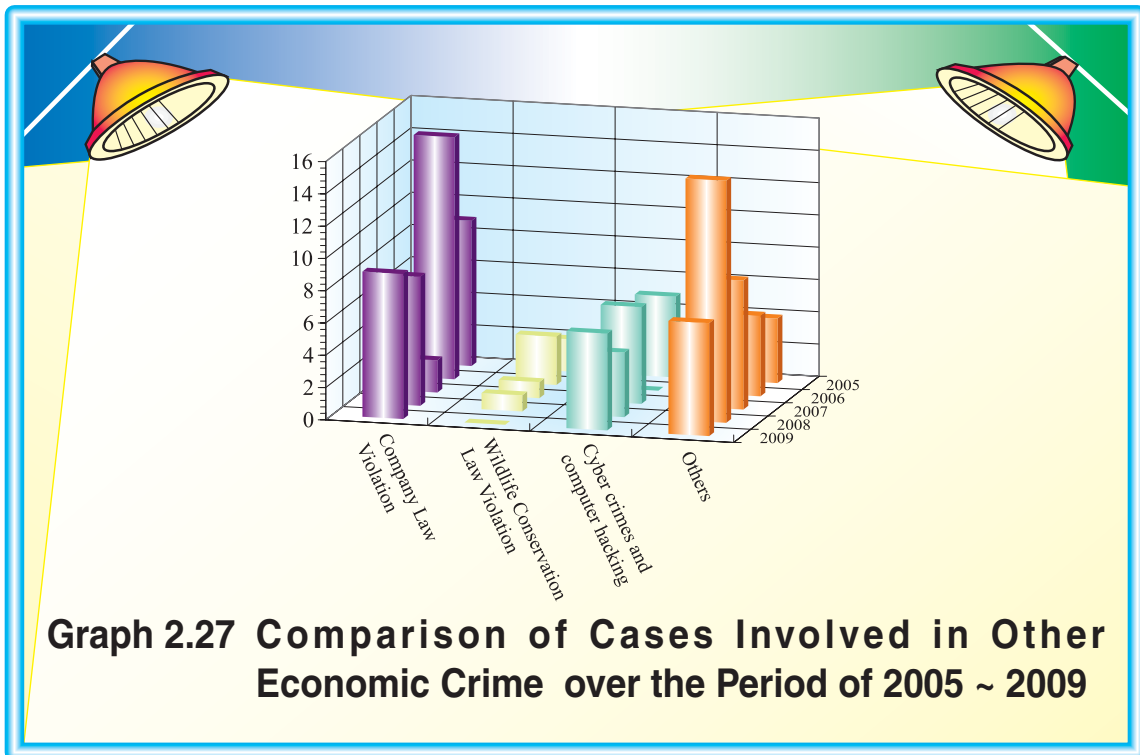


Table 2.29 Statistics of Cases Involved in Other Economic Crime Cases over the Period of 2005 ~ 2009

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
2005	20	100.00%	-4.76%	113	100.00%	-41.75%	214,562	-95.76%	9	2	5	4
2006	23	115.00%	15.00%	43	38.05%	-61.95%	275,817	28.55%	15	3	0	5
2007	17	85.00%	-26.09%	22	19.47%	-48.84%	146,387	-46.93%	2	1	6	8
2008	28	140.00%	64.71%	61	53.98%	177.27%	3,955,546	2602.12%	8	1	4	15
2009	22	110.00%	-21.43%	116	102.65%	90.16%	4,013,974	1.48%	9	0	6	7

Notes: 1. Relative to 2005 (100%)

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



City Government. From September 3 to 17 in the same year, he transferred out the shares in the account, and was suspected of violating the Company Act. The case was referred to Taipei District Prosecutors Office on May 15, 2009.

(II) General Crimes

A. Statistics:

There were 165 cases referred in 2009, which was 7.84% more than the 153 cases in 2008; with 298 suspects, which was 4.79% less than the 313 suspects in 2008; involving monetary value of \$3,535,175,238, which was 172.43% more than \$1,297,646,433 in 2008 (see Tables 2.04, 2.05, 2.30, and 2.31).

The cases include:

1. Document forgery: 69 cases
2. Other cases (including violations of the Pharmaceutical Affairs Act, the Waste Disposal Act, the Plant Protection and Quarantine Act, the Veterinary Drugs Control Act): 96 cases

(See Tables 2.04, 2.05, 2.30, and 2.31)

B. Significant cases:

(1) Wu X, the responsible person of De X Trading Co. and Tong X Co., was aware that certificate of “Hui X vein injection” imported would be expired on June 24, 2004. The effective period was only five years, and the renewal of the shall be approved by the health authority. In October

2005, the company applied for the approval seal of the Department of Health, Taipei City Government, and the amount of qualified products was only 20,000 doses (2,000 boxes) (lot number 40177 and expiration date was December 2008). The company covered up the unqualified medicine by that with the approval seal. From July 2004 to January 2009, the company re-packaged 394,580 doses of “Hui X vein injection” which were not approved, by altering the production date, expiration and lot number. Lot number of medicine without the approval seal was altered to “12398”, and production date was altered to “2006”. The company sold the medicine to hospitals and received illegal proceeds in the amount of \$20,640,000. Moreover, the company was also aware that the certificate of “Lu X Chu capsule” imported was expired on May 29, 2003. However, they did not apply for the extension or the approval seal, and continued importing 1,074,990 “Lu X Chu capsule” in December 2005, November 2006, May 2007, September 2007, March 2008 and December 2008, and sold the medicine to hospitals and pharmacies in Taiwan. The case was referred to Taipei District Prosecutors Office on May 26, 2009.

(2) From July 2005 to March 2009, Lai X, the responsible person of

Table 2.30 Statistics of General Crime Cases Referred to Public Prosecutors Office in 2009

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	165	298	3,535,175,238	69	111	3,370,671,834	96	187	164,503,404
Jan.	4	8	11,280,000	2	2	0	2	6	11,280,000
Feb.	12	20	32,840,000	4	5	23,640,000	8	15	9,200,000
Mar	9	15	1,168,670	5	7	1,167,000	4	8	1,670
Apr.	13	20	21,925,116	6	10	0	7	10	21,925,116
May	13	25	25,485,436	4	6	71,066	9	19	25,414,370
Jun.	17	31	42,305,800	11	19	42,200,000	6	12	105,800
Jul.	18	32	4,723,872	6	10	100,000	12	22	4,623,872
Aug.	9	11	261,550	4	5	0	5	6	261,550
Sep.	23	47	11,380	14	27	0	9	20	11,380
Oct.	12	22	29,323,088	5	8	493,768	7	14	28,829,320
Nov.	13	31	3,355,050,326	1	3	3,300,000,000	12	28	55,050,326
Dec.	22	36	10,800,000	7	9	3,000,000	15	27	7,800,000

Other 96 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 2005 ~ 2009

Year \ Item	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
2005	136	100.00%	-32.75%	330	100.00%	-25.17%	655,539	6.75%
2006	155	113.97%	13.97%	387	117.27%	17.27%	530,786	-19.03%
2007	153	112.50%	-1.29%	290	87.88%	-25.06%	155,048	-70.79%
2008	153	112.50%	0.00%	313	94.85%	7.93%	1,297,646	736.93%
2009	165	121.32%	7.84%	298	90.30%	-4.79%	3,535,175	172.43%

Table 2.31(cont.)

Year \ Item	Forgery of Document		Others	
	No. of Cases	No. of Suspects	No. of Cases	No. of Suspects
2005	72	213	43	117
2006	61	155	75	232
2006	69	111	86	179
2007	41	110	112	203
2008	69	111	96	187

Notes: 1. Relative to 2005 (100%)

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

Ren X Pharmaceutical Co., without permission from the Department of Health, Executive Yuan, produced Tung X Energy with Sildenafil or Viagra, and sold the products to Peng X Co., Ltd. The company attracted customers by advertisement produced by Peng X TV Station operated by Peng X Co., Ltd., and gained illegal proceeds of \$25,700,000. The Bureau detained 8,644 tablets of Tung X Energy products and 145 kg of semi-products (powder, which could be produced into 145,000 tablets of products). The case was referred to Taoyuan District Prosecutors Office on September 24, 2009.

- (3) From 2004 to 2006, Ying X Co., Ltd. won the tender on the power distribution of Chia Yi Kung region of Miaoli District of Taipower. Lin X, the accountant of Ying X Co., Ltd. copied the originals of 27 invoices (serial numbers of GX2574××××) acquired by goods purchased from Da X Cable Co., Ltd. and 5 invoices (serial numbers of NU1765××××) acquired by goods stocking from Hsing X Cement Co., Ltd. Lin X then altered the buyers and amounts on the copies to be fraudulent invoices of Ying X Co., Ltd. for examination by Taipower. The case was referred to Taichung District Prosecutors Office on November 10, 2009.
- (4) Wang X, the responsible person of Jin

X Trading Co. and Hsin X Chemical Co., Ltd. was aware that without permission from the agricultural authority, the company could not import, manufacture or produce pesticides. However, on May 23, 2008, Jin X Trading Co. authorized Jin X Custom Co. to declare the chemical materials from China to Keelung Customs Office, and covered up 2,000 kg of ““iprodione” in the container, which was seized by customs officers. Afterwards, they used air cargo and declared the goods to Taipei Customs Office by fraudulent names of owners and goods through customs agents. They smuggled several kinds of technical materials “Emamectin benzoate” from China to Taiwan, produced various fake pesticides in underground factories in Yunlin, and sold the products to Lin X et al. which further sold them to the farmers. MJIB investigators uncovered 4 large warehouses and underground plants, and detained technical materials of pesticides and components of fake pesticides (12,761 kg in total). The case was referred to Taoyuan District Prosecutors Office on October 30, 2009.

- (5) Li X was aware that using formaldehyde (also called “Formalin”) as food additives was harmful to human body. However, from 1997, on the farm of Sihhu Township of

Yunlin County, Li X founded the illegal factory “Tung X Agricultural Product Co.”, manufactured and sold dried radishes and illegally adding formaldehyde. Chien X, the responsible person of a major distributor Shun X Co., Ltd. sold the products across Taiwan. In October 2008, the Department of Health, Yunlin County, discovered the content of formaldehyde in dried radish. Besides the fines, the products were removed from the shelves and disposed. However, Li X was unwilling to accept the loss, and still hid plenty of dried radishes with formaldehyde in an idle pig farm of his friend Li X in Sihhu Township of Yunlin County. The Bureau reported the situation to the Department of Health in Yunlin County. On May 18, 2009, the 10,616 boxes (127,392 kg) of dried radishes with formaldehyde were seized. The case was referred to Yunlin District Prosecutors Office on July 7, 2009.

(III) Tax Evasion

A. Statistics:

There were 128 tax evasion cases referred in 2009, which was 39.34% less than the 211 cases in 2008; the penalty amount was \$1,317,563,348, which was 4.65% less than \$1,381,847,733 in 2008 (see Tables 2.04, 2.05, and 2.32, and Graph 2.28).

B. Significant cases:

- (1) Wu X, the responsible person of Kang X Co., Ltd., violated the regulation and did not pay income tax \$257,027,394 on total income of \$2,790,157,860 in 2004. The case was referred to National Tax Administration of Central Taiwan Province, Wu X was fined for an amount of \$771,082,182 on January 10, 2009.
- (2) From 2003 to 2005, Tsai X, the responsible person of Wei X Co., Ltd., obtained 605 invoices from 51 companies, including Tung X Engineering Co., Ltd., without actual transactions. The revenue declared was \$428,100,719, and the sales tax was 21,405,066. He also produced 560 fraudulent invoices to 40 companies, including Mao X Iron Co. The revenue declared was \$3 3,577,807 and the sales tax was \$16,170,000. The case was referred to Kaohsiung National Tax Administration, Tsai X was fined for \$17,040,000 on February 20, 2009.
- (3) From June to October 2003, You X Co., Ltd. obtained 25 fraudulent invoices, in an amount of \$83,420,000, without actual transactions, as certificate to balance tax of \$4,170,000. The case was referred to National Tax Administration of Northern Taiwan Province, the company was fined for an amount of \$29,190,000 on March 30, 2009.

Table 2.32 Statistics of Tax Evasion Cases over the Period of 2005 ~ 2009

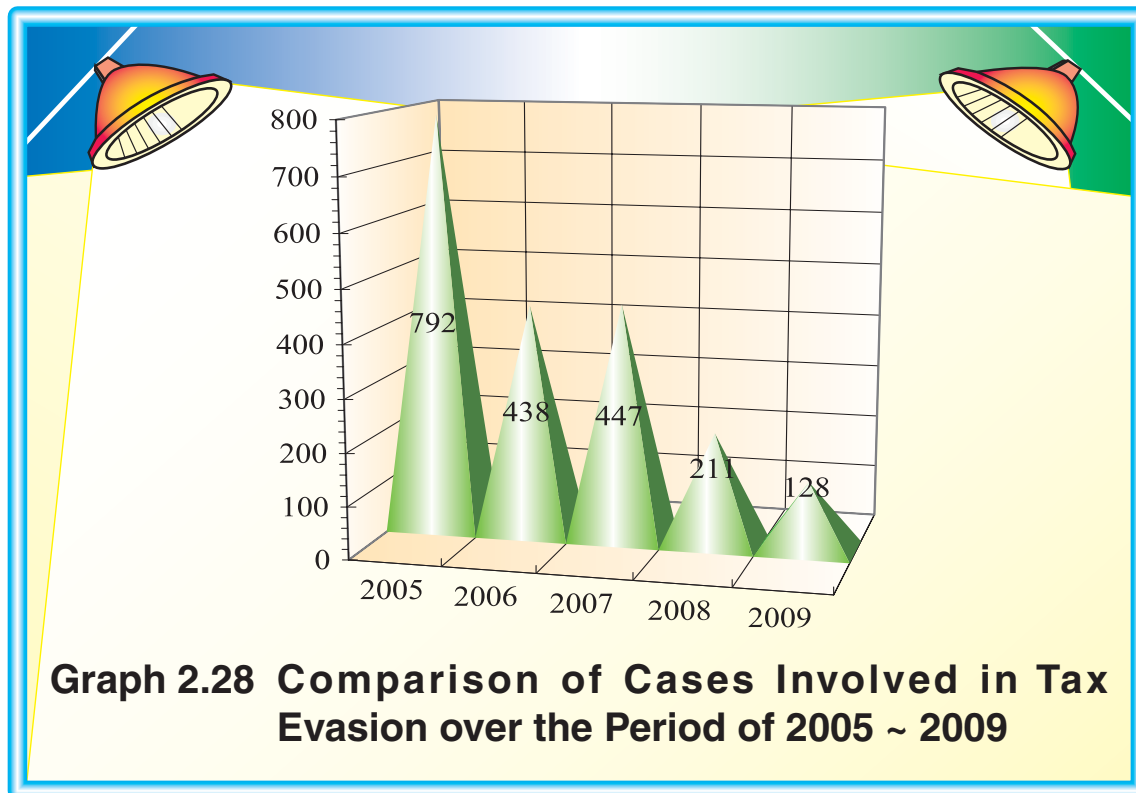
Item Year	No. of Cases	Relative Rate ¹	Percent Change ²	Penalty Imposed (NT\$1,000)	Percent Change ²	Type of Tax Evasion	
						Business Tax	Stamp Tax
2005	792	100.00%	-54.03%	2,318,446	-59.47%	522	0
2006	438	55.30%	-44.70%	1,782,482	-23.12%	332	2
2007	447	56.44%	2.05%	798,704	-55.19%	224	1
2008	211	26.64%	-52.80%	1,381,847	73.01%	81	0
2009	128	16.16%	-39.34%	1,317,563	-4.65%	19	1

Notes: 1. Relative to 2005(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
2005	0	0	0	4	233	33
2006	0	0	0	0	57	47
2007	4	0	0	0	173	45
2008	3	0	0	0	125	2
2009	0	0	3	0	102	3



IV. Tracking and Apprehension of Fugitives Abroad

(I) Statistics

There were 8 cases of fugitives abroad, which was 14.29% more than the 7 cases in 2008, with 9 suspects, which was 28.5% more than the 7 suspects in 2008, among which, 6 suspects in 6 cases were apprehended, and 3 suspects in 2 cases voluntarily surrendered to the authorities (see Tables 2.04, 2.05, 2.33, and 2.34, and Graph 2.29).

(II) Significant cases

A. Apprehension through Extradition

- (1) From March 2001 to August 2006, Shiu X, the registered responsible person and Wu X, actual responsible person of Chung X Biotechnology Co., Ltd. was suspected of engaging in defraud of nearly \$100,000,000 by boasting about having a listing company in Nasdaq by fraudulent financial statement. In August 2006, Shiu and Wu vacated the merchandises of the company and stores, and fled overseas. The case was referred to

Table 2.33 Statistics of Fugitives Abroad Apprehended Cases in 2009, 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	3	0	0	0	0	0	2	1	0	0	
	Persuasion	3	0	0	0	0	0	3	0	0	0	
Drug Crime	Extradition	3	1	0	0	0	0	1	0	0	1	
	Persuasion	0	0	0	0	0	0	0	0	0	0	
Corruption	Extradition	0	0	0	0	0	0	0	0	0	0	
	Persuasion	0	0	0	0	0	0	0	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	6	1	0	0	0	0	3	1	0	1	
	Persuasion	3	0	0	0	0	0	3	0	0	0	

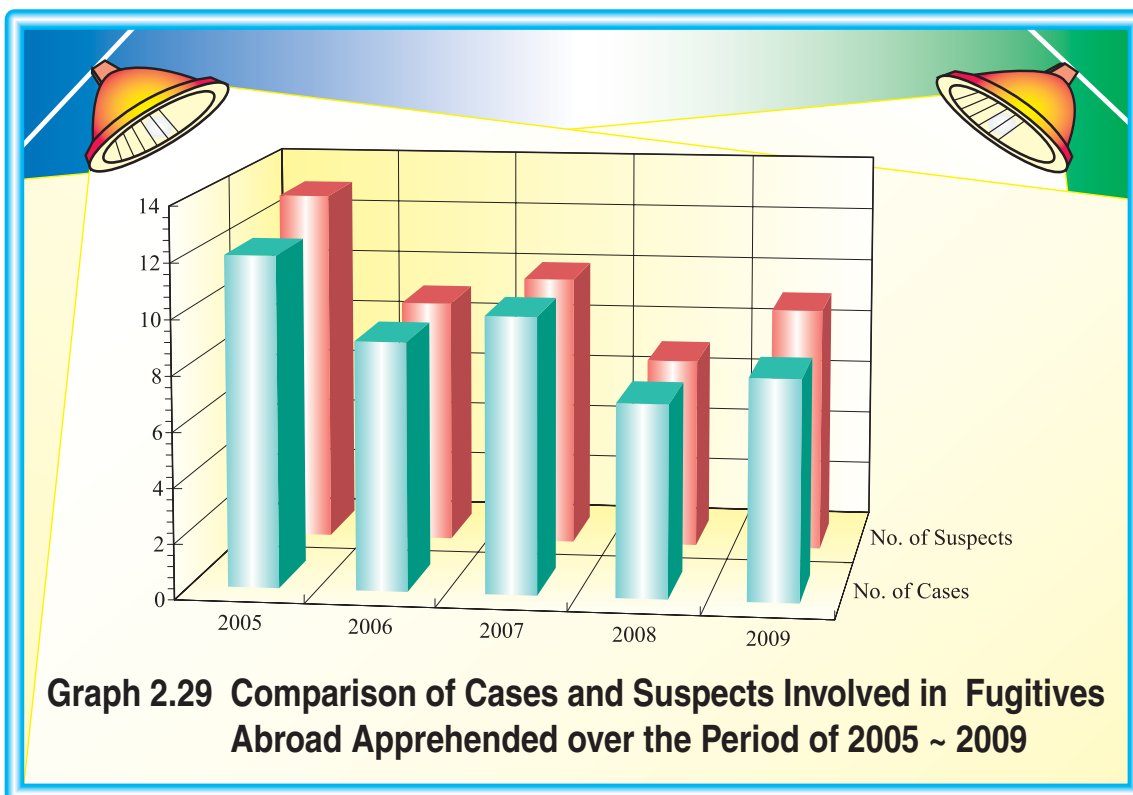
Table 2.34 Statistics of Fugitives Abroad Apprehended Cases over the Period of 2005 ~ 2009

Year	No. of Cases	Relative Rate ¹	Percent Change ²	No. of Suspects	Relative Rate ¹	Percent Change ²
2005	12	100.00%	140.00%	13	100.00%	160.00%
2006	9	75.00%	-25.00%	9	69.23%	-30.77%
2007	10	83.33%	11.11%	10	76.92%	11.11%
2008	7	58.33%	-30.00%	7	53.85%	-30.00%
2009	8	66.67%	14.29%	9	69.23%	28.57%

Notes: 1. Relative to 2005 (100%)

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

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



Taipei District Prosecutors Office of Taipei District Court from Department of Investigation in Taipei City. On October 9, 2007, Taipei District Prosecutors Office released the arrest order on the suspects. On April 12, 2009, Wu X was arrested when transferring from X country to another place, and extradited by MJIB officers to return to Taiwan. After interrogation, he was transferred to Taipei District Prosecutors Office.

- (2) In 2002, Yue X and Liao X, the responsible persons of “Cheng X Co., Ltd.” were suspected of acquiring fraudulent invoices by setting dummy companies, and using fraudulent invoices to offset tax. Purchase and sales amounts were \$200,000,000, and they were in violation of the Tax Collection Act. Kaohsiung District Prosecutors Office released an arrest order on August 21, 2006. Yue X was arrested by the public security unit of China in April 2009. On May 26, 2009, according to Kinmen Agreement”, Yue X was extradited to Matsu by Red Cross of Fujian, and transferred back to Taiwan. After interrogation, the suspect was sent to Kaohsiung District Prosecutors Office.
- (3) In May and June, 1989, drug ring of Hsieh X hired Ming X No. 6 Fishing Boat to leave for Hainan Island from Kaohsiung Port to smuggle heroin purchased from local drug dealers

back to Taiwan. On July 23, when Ming X No. 6 Fishing Boat returned to Kaohsiung Port, MJIB officers seized 9 packs of heroin (weighted 3,168 g), Chinese wine, and a batch of fake medicine, and arrested Kuo X et al. However, Hsieh X fled. On December 23, 1989, Kaohsiung District Court released an arrest order on Hsieh X. In early 2008, “Team of Apprehending Economic Crimes Fugitives” discovered that Hsieh X was hidden in Bolivia, and sought for the approval of arrest from the Bolivian authority. On August 20, 2009, Hsieh X was arrested and process of deportation was finished. MJIB officers and three Bolivian police officers extradited Hsieh X under guard on August 22, 2009. interrogation, the suspect was sent to Kaohsiung District Court.

B. Surrender under Persuasion

In 2003, in order to cover up illegal and indirect investment in Rui X Hardware Co., Ltd. in China, Chen X, the former president of Rui X Precision Co., Ltd. transferred back the profits as shares of foreign funds company invested by subsidiary companies, and produced the fraudulent financial statement, suspected of violating the Securities & Exchange Act. On December 20, 2005,

Taoyuan District Prosecutors Office released an arrest order on the suspect. MJIB officers instigated Chen X, on March 26, 2009, Chen X surrendered to

justice. After interrogation, the suspect was sent to Taoyuan District Prosecutors Office.

V. Broadening International Cooperation

(I) The Participation international conferences

- A. The 27th International Symposium on Economic Crime was held from August 29 to September 7, 2009 at Jesus College, Cambridge, UK. Deputy Director Chang of MJIB led colleagues to attend the Symposium. The theme of the symposium was “The enemies within—the internal threats to the safety and integrity of financial system,” which investigated the following issues: 1) how to solve problems concerning the organizational structure and operations of financial institutions and banking system; 2) the risk of using financial institutions and banking system for money laundering and other illegal activities; 3) the influence of organized crime, corruption and the degeneration of financial institutions and banking system; 4) the application of relevant special laws to fight crimes within financial institutions and relevant intermediary authorities, proceeds of corruption, and identification of the funds of terrorist organizations and its risks.
- B. The 6th International Conference on Asian Organized Crime and Terrorism was

held at the Sheraton Hotel, Hawaii, U.S. from March 22 to 27, 2009. Investigation Officer Fu-sheng Ho of the Economic Crime Prevention Division attended the conference. The theme of the conference included issues of credit card crime, cyber crime, smuggling of illegal immigrants, gangs and organized crime, money laundering, most wanted criminals, and computer crime.

(II) Cooperative in Investigation

- A. The captain and team members of the Reconnaissance Brigade, Bolivia Police Department, helped MJIB officers to extradite the wanted drug dealer, Hu X, who fled abroad, through transit at the U.S., and returned to Taiwan by August 20, 2009. The criminal was in custody on August 22.
- B. MJIB negotiated with the Bureau of Immigration and Customs Enforcement (ICE) of the U.S. Department of Homeland Security, and the ICE agreed to assign investigators to help extraditing the wanted criminal, Hu X, a suspect wanted for fraud cases, back to Taiwan.
- C. MJIB cooperated with the Department of Special Investigation, Department of Justice of Thailand, and the Royal Police Immigration Bureau, and arrested the wanted drug dealer, Lin X, who fled abroad to Chiang Mai, Thailand, on November 6, 2009, and extradited him to Taiwan. The suspect was in custody by

November 10.

(III) Exchange of Information and Visits

- A. Mr. Steve Lee, Senior Detective of the Toronto Police Department, Canada, paid a visit to the Bureau on February 9, 2009 to exchange opinions with MJIB officers on a variety of issues, such as international cooperation regarding the arrest of economic crimes fugitives.
- B. Mr. Richard Schramm, the Chief of the Visa Division, Canadian Trade Office, Taipei, paid a visit to the Bureau on February 10, 2009 to exchange opinions with MJIB officers on a variety of issues, such as international cooperation to fight transnational crimes, and assist in arresting fugitives.
- C. Mr. Iwase Mitsuaki, the Minister of Foreign Affairs and Information, Police Agency of Japan, paid a visit to the Bureau on March 5, 2009 to exchange opinions with MJIB officers on a variety of issues, such as the collaborative fight against transnational crimes.
- D. Mr. Scott David, the Senior Director of the Asia Pacific Region of Pfizer, paid a special visit to the Bureau on March 10, 2009 to express appreciation to the Bureau for their investigation of cases of counterfeit drugs of Viagra, and affirmed the contribution of the Bureau toward protecting intellectual property rights.
- E. Mr. Rippon Matt, the liaison officer of the Australian Federal Police, Hong Kong Office, paid a visit to the Bureau on April 1, 2009 to exchange opinions with MJIB officers on a variety of issues, such as the collaborative fight against transnational crimes.
- F. Mr. Richard H. Adams, the Deputy Chief of the Visa Division, American Institute in Taiwan, paid a visit to the Bureau on April 10, 2009 to exchange opinions with MJIB officers on a variety of issues, such as collaborative efforts in seizing economic crimes fugitives.
- G. Mr. Louis Garthe, the Deputy Representative of the Hong Kong Office, Bureau of Immigration and Customs Enforcement, U. S. Department of Homeland Security, paid a visit to the Bureau on July 15, 2009 to exchange opinions with MJIB officers on a variety of issues, such as assisting in the seizure of economic crimes fugitives.
- H. Mr. Kevin Fishe, the Director of the Asia Pacific Region, Department of Global Corporation Security, Barclays Capital, paid a visit to the Bureau on August 25, 2009 to exchange opinions with MJIB officers on a variety of issues, such as economic crimes.
- I. Mr. C.P. Chang, the Commissioner of the Hawaii Office, U.S. Secret Service, paid a visit to the Bureau on September 10, 2009 to exchange opinions with MJIB officers on a variety of issues, such as the prevention of economic crimes and money laundering.

- J. Mr. R.J. Taytor, the Chief of the Pretoria Bureau, South African International Criminal Police Organization, paid a visit to the Bureau on October 16, 2009 to exchange opinions with MJIB officers on a variety of issues, such as the seizure of fugitives.
- K. Deputy Director Chang of MJIB led staffs to Malaysia, Thailand, and Vietnam, and visited with the Security Commission in Malaysia, Bureau of Commercial Crime Investigation, Malaysian Royal Police, and Anti-money Laundry Office, Department of Justice, Thailand, from October 25 to November 1, 2009 to exchange opinions on international cooperation, prevention of transnational crimes, and assisting in seizing criminals.

(IV) International Training

- A. Chief Chung-long Pan of the Economic Crime Prevention Division attended the “Seminar on Southeast Asian Transnational Crime Investigation” from May 15 to May 22, 2009, to address a special report and introduce the tasks carried out by MJIB to 16 senior law enforcement officials from Vietnam, Cambodia, Burmese, Thailand, Malaysia, and the Philippines, which helps to establish channels of communication, and assists the Bureau in transnational crime investigations.
- B. Section Chief Ming-hsiung Chen of the Economic Crime Prevention Division attended the “Seminar on Transnational

Crime Investigations in Thailand,” from September 14 to September 25, 2009 to address a special report to introduce how the Bureau assists in seizing fugitives to 12 senior law enforcement officials at the Office of Special Investigations, Department of Justice, which helps to establish channels of communication, and assists the Bureau in transnational crime investigations.

VI. Combating crimes across the Strait

The Office is responsible for handling the secretary services of relevant works regarding the “Agreement on Joint Cross-Strait Crime-fighting and Mutual Judicial Assistance,” such as economic crime prevention, drug control, anti-money laundering, corruption prevention, and seizing economic crimes fugitives. In addition, the Office will begin cooperation with relevant public security and law enforcement departments of Mainland China, and conduct relevant works in accordance with the “Agreement on Joint Cross-Strait Crime-fighting and Mutual Judicial Assistance.” The Office held 8 meetings, 6 visits, exchanged 187 pieces of criminal intelligence, cooperated on the investigation of 2 cases, requested the seizure and extradition of 10 cases (among them, 5 cases were referred to Mainland China, via the Ministry of Justice, while copies of the official letters regarding the others were referred to the Ministry of Justice), extradited 1

criminal, and assisted in the investigation and collection of the evidence in 2 cases. In the future, the Office will strengthen exchanges of criminal intelligence, according to the contents of the Agreement and the regulations and mechanisms of the Ministry of Justice in order to investigate cases, extradite criminals, gradually establish a joint cross-strait crime-fighting model, and act aggressively to prevent transnational crime.

Part Three

Crime Situation and Character Analysis



I. Economic Crimes Cases

There were 756 economic crime cases referred to prosecutors offices in 2009, which was 5.73% more than the 715 cases in 2008, with 2,829 suspects, which was 11.29% less than the 3,825 suspects in 2008 (see Table 3.01).

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

(I) Crime Situations

The various types of economic crime cases referred in 2009 are compared with those in 2008, as follows: (see Table 3.01):

1. Fraud: 291 cases, which was 11.07% more than the 262 cases in 2008; with 938 suspects, which was 19.07% less than the 1,159 suspects in 2008.
2. Embezzlement: 66 cases, which was 29.41 % more than the 51 cases in 2008; with 112 suspects, which was 10.89% more than the 101 suspects in 2008.
3. Breach of Trust: 24 cases, which was 14.29% less than the 28 cases in 2008; with 159 suspects, which was 28.23 % more than the 124 suspects in 2008.
4. Usury: 14 cases, which was 100% more than the 7 cases in 2008; with 37 suspects, which was 184.62% more than the 13 suspects in 2008.
5. Smuggling: 10 cases, which was 62.96% less than the 27 cases in 2008; with 21 suspects, which was 32.26% less than the 31 suspects in 2008.
6. Violation of the Tax Collection Act: 60 cases, which was 16.67% less than the 72 cases in 2008; with 718 suspects, which was 27.33% less than the 988 suspects in 2008.
7. Counterfeit/alteration of currency and negotiable securities: 4 cases, which was 42.86% less than the 7 cases in 2008; with 14 suspects, which was 16.67% more than the 12 suspects in 2008.
8. Violation of the Tobacco and Alcohol Administration Act: 4 cases, which was 42.86% less than the 7 cases in 2008; with 8 suspects, which was the same as in 2008.
9. Violation of the Banking Act: 51 cases, which was 12.07% less than the 58 cases in 2008; with 165 suspects, which was 17.91% less than the 201 suspects in 2008.
10. Infringement of Intellectual property rights: 105 cases, which was 32.91 % more than the 79 cases in 2008; with 150 suspects, which was 20 % more than the 125 suspects in 2008.
11. Violation of the Securities & Exchange Act: 80 cases, which was 15.94% more than the 69 cases in 2008; with 323 suspects, which was 9.49% more than the 295 suspects in 2008.
12. Violation of Fair Tradeact: 1 case, which was 66.67% less than 3 cases in 2008; with 1 suspect, which was 88.89% less

Table 3.01 Statistics of Economic Crime Cases Referred to Public Prosecutors Office in 2008 and 2009

Type of Offenses		Year	No. of Cases			No. of Suspects			
		2009	2008	Percent Change	2009	2008	Percent Change		
I. Economic Crimes	Total	756	715	5.73%	2,829	3,189	-11.29%		
	Fraud	Subtotal	291	262	11.07%	938	1,159	-19.07%	
		Fraudulent loan	13	21	-38.10%	59	225	-73.78%	
		Fraud in international trade	3	1	200.00%	3	2	50.00%	
		Fraudulent insolvency	5	5	0.00%	13	10	30.00%	
		Fraudulent closure of private loan association	9	9	0.00%	12	11	9.09%	
		Fraudulent real estate transaction	2	6	-66.67%	7	18	-61.11%	
		Fraudulent negotiable instrument	10	10	0.00%	19	115	-83.48%	
		Fraudulent investment	31	19	63.16%	79	65	21.54%	
		Credit card fraud	0	1	NA	0	1	NA	
		Advertisement fraud	0	0	NA	0	0	NA	
		Fraudulent tax refund	1	2	-100.00%	2	4	-100.00%	
		Insurance fraud	6	4	50.00%	43	51	-15.69%	
		Cyber fraud	7	3	133.33%	22	7	214.29%	
		Hospitalization fraud	24	17	41.18%	236	138	71.01%	
		New type of group fraud	101	89	13.48%	234	262	-10.69%	
		Others	79	75	5.33%	209	250	-16.40%	
		Embezzlement	Subtotal	66	51	29.41%	112	101	10.89%
			General embezzlement	12	10	20.00%	18	17	5.88%
			Embezzlement by public employees	13	5	160.00%	16	10	60.00%
		Embezzlement by employees of private enterprise	41	36	13.89%	78	74	5.41%	
	Breach of trust	24	28	-14.29%	159	124	28.23%		
	Usury	14	7	100.00%	37	13	184.62%		
	Smuggling	10	27	-62.96%	21	31	-32.26%		
	Violation of Tax Collection Act	60	72	-16.67%	718	988	-27.33%		
	Counterfeit	Subtotal	4	7	-42.86%	14	12	16.67%	
		Counterfeit of national currency	0	1	NA	0	5	NA	
		Alternation of securities	4	6	-33.33%	14	7	100.00%	
	Violation of Tobacco and Alcohol Administration Act	4	7	-42.86%	8	8	0.00%		

Table 3.01 (cont.)

Year		No. of Cases			No. of Suspects		
		2009	2008	Percent Change	2009	2008	Percent Change
Type of Offenses							
Type of Offenses	Subtotal	51	58	-12.07%	165	201	-17.91%
	Violation of Banking Act						
	Illegal absorption of funds	12	6	100.00%	63	41	53.66%
	Unauthorized operation of remittance and acceptance	39	52	-25.00%	102	160	-36.25%
	Infringement of Intellectual Property Rights						
	Subtotal	105	79	32.91%	150	125	20.00%
	Infringement of Trademark Act	74	60	23.33%	89	89	0.00%
	Violation of Copyright Act	30	19	57.89%	60	36	66.67%
	Others	1	0	NA	1	0	NA
	Violation of Securities & Exchange Act	80	69	15.94%	323	295	9.49%
	Violation of Fair Trade Act	1	3	-66.67%	1	9	-88.89%
	Violation of Futures Trading Law	17	15	13.33%	52	57	-8.77%
	Violation of Insurance Act	7	2	250.00%	15	5	200.00%
	Subtotal	22	28	-25.00%	116	61	90.16%
	Other offenses undermining economic order						
	Violation of Wildlife Conservation Act	0	1	-100.00%	0	1	-100.00%
	Violation of Company Law	9	8	12.50%	74	16	-362.50%
	Cyber crimes and computer hacking	6	4	50.00%	14	5	180.00%
	Others	7	15	-60.00%	28	39	-28.21%
II. General Crimes	165	153	7.84%	298	313	-4.79%	
Forgery of document	69	41	68.29%	111	110	0.91%	
Other general crimes	92	112	-17.86%	182	203	-10.34%	
III. Tax Evasion	128	211	-39.34%	0	0	NA	
IV. Tracking and apprehension of fugitives abroad	8	7	14.29%	9	7	28.57%	
Tracking and apprehension	6	4	50.00%	6	4	50.00%	
Fugitives surrendered through persuasion	2	3	-33.33%	3	3	0.00%	
Apprehension through joint efforts	0	0	NA	0	0	NA	
V. International cooperation	1	0	NA	0	0	NA	
Investigation of transnational crimes	0	0	NA	0	0	NA	
Execution of the Agreement on Criminal Justice Cooperation	1	0	NA	0	0	NA	
Total	1,058	1,408	-24.86%	3,136	3,509	-10.63%	

than 9 suspects in 2008.

13. Violation of the Futures Trading Law: 17 cases, which was 13.33% more than the 15 cases in 2008; with 52 suspects, which was 8.77% less than the 57 suspects in 2008.
14. Violation of the Insurance Law: 7 cases, which was 250% more than the 2 cases in 2008; with 15 suspects, which was 200% more than the 5 suspects in 2008.
15. Other cases of economic crimes that undermined or disrupted economic order: 22 cases, which was 25% less than the 28 cases in 2008; with 116 suspects, which was 90.16% more than the 61 suspects in 2008.

(II) Character Analysis

A. Gender

In 2009, there were 2,829 suspects involved in economic crimes investigated by the Bureau, which was 11.29% less than the 3,189 suspects in 2008; among which, the highest ratio of all offenses was fraud cases, involving 938 suspects, accounting for 33.16%; followed by violation of the Tax Collection Act, involving 718 suspects, accounting for 25.38%; violation of the Securities & Exchange Act, involving 323 suspects, accounting for 11.42%, violation of the Banking Act, involving 165 suspects, accounting for 5.83% (see Table 3.02).

Among the suspects, 1,906 were males (67.37%), which was 14.22% less than the 2,222 suspects in 2008; 923 were females

(32.63%), which was 4.55% less than the 967 suspects in 2008. According to the five-year average of suspects by gender, male was still the majority, while the ratio of female suspects was also increasing (see Tables 3.02 and 3.03, and Graphs 3.01, 3.02, and 3.03).

B. Age

By age, there were 842 suspects in the age group of 40~50 (29.76%), followed by 666 suspects in the age group of 50~60 (23.54%), 627 suspects in the age group of 30~40 (22.16%), 383 suspects in the age group of 20~30 (13.54%), 201 suspects in the age group of 60~70 (7.10%), 42 suspects in the age group of 70~80 (1.48%), and 40 suspects were over 80 years old (1.41%).

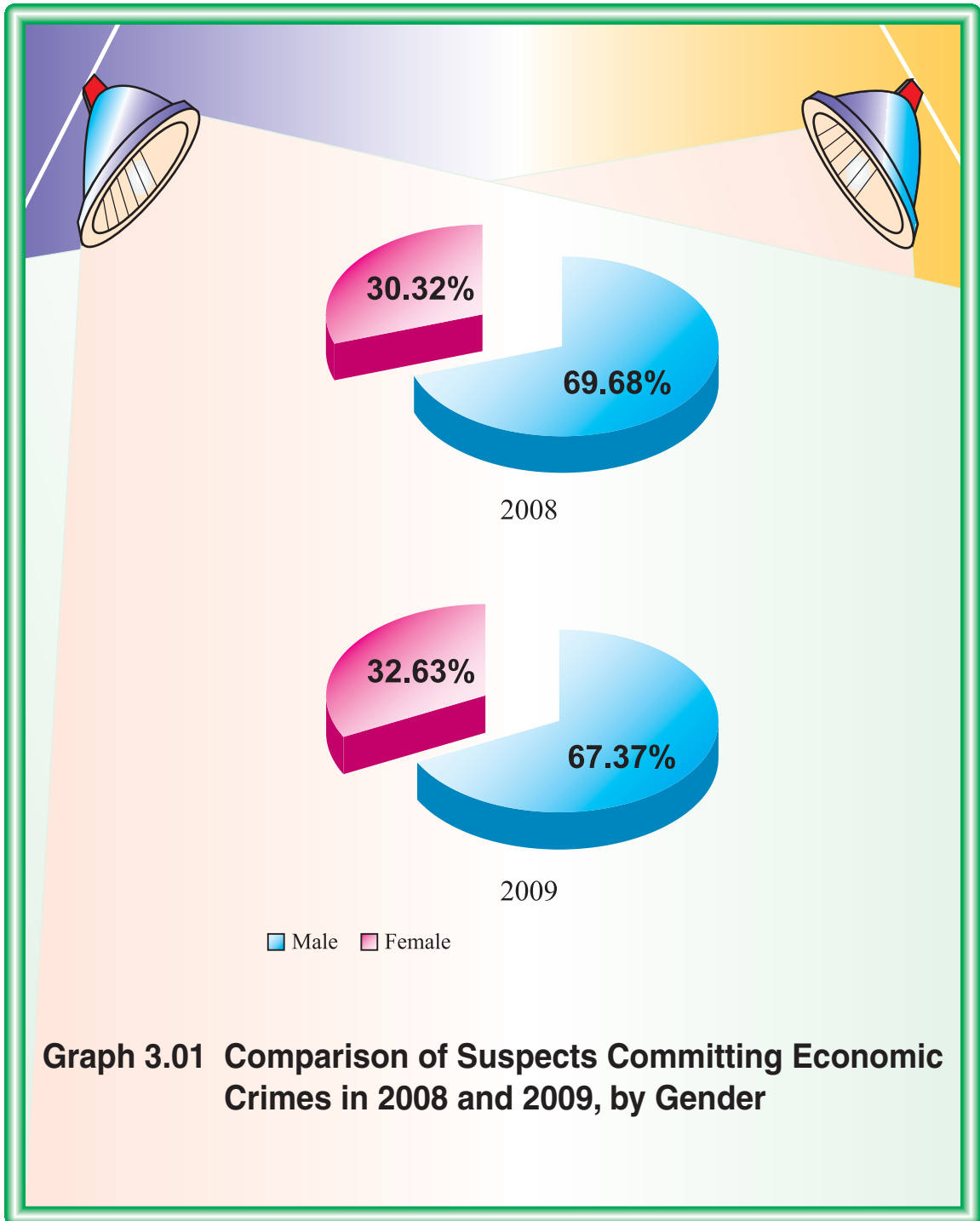
The percentage of suspects in the age group of 40~50 was 29.76%, which was 0.5% less than the 30.26% in 2008; the percentage of suspects in the age group of 50~60 was 23.54%, which was 2.75% higher than the 20.79% in 2008; the percentage of suspects in the age group of 30~40 was 22.16%, which was 5.12% less than the 27.28% in 2008. These statistics indicate that suspects are concentrated in the 30~60 age group. According to the five-year average of suspects by age, the highest percentage of suspects was in the age group of 40~50 (see Tables 3.04 and 3.05, and Graphs 3.04 and 3.05).

C. Educational Background

By educational background, there were 1,887 suspects (66.7%) with college

Table 3.02 Statistics of Suspects Committing Economic Crimes in 2008 and 2009, by Gender

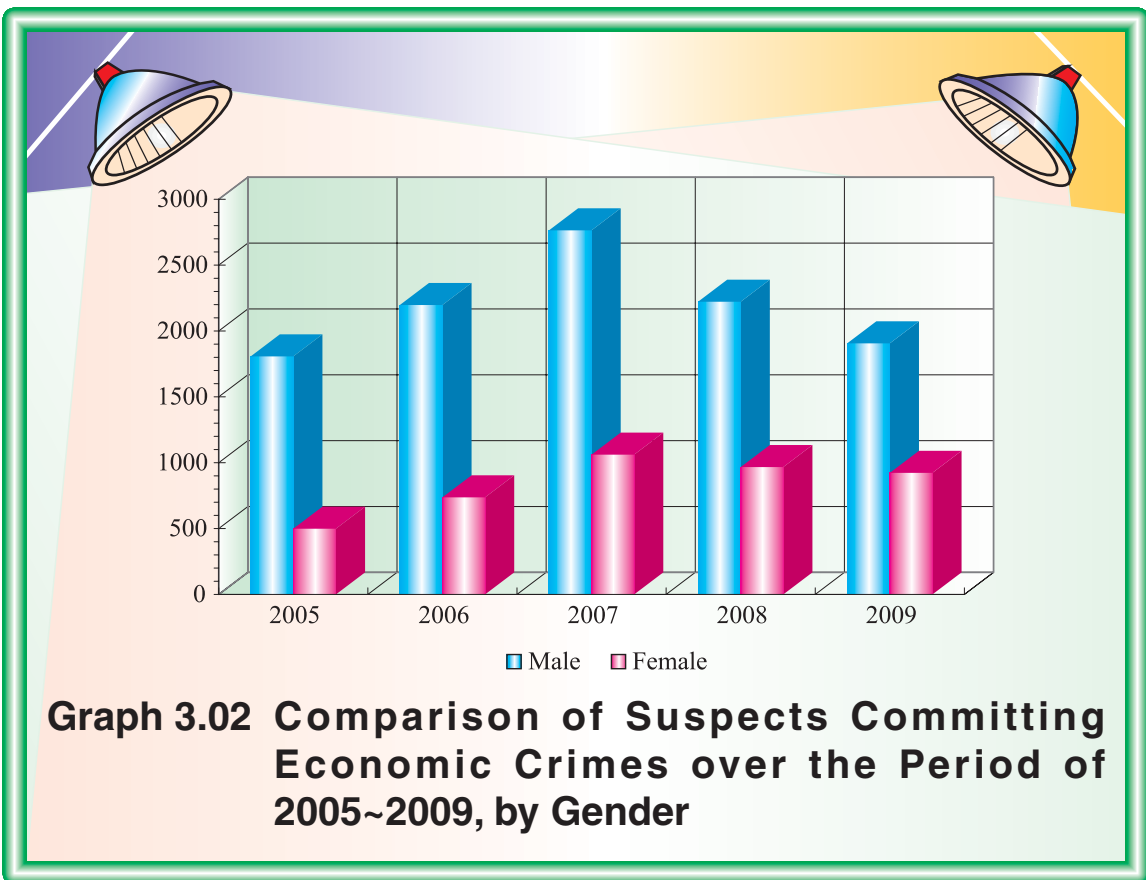
Gender Type of Offenses	2009					2008				Percent Change= [(2008 total-2007 total)/2007 total]	Percent Change of Male Suspects = (2008Male - 2007Male)/ 2007 Male]	Percent Change of Female Suspects = [(2008 Female - 2007 Female)/ 2007Female]
	Total	Male	Female	%	Female participated %	Total	Male	Female	%			
Total	2,829	1,906	923	100.00%	32.63%	3,189	2,222	967	100.00%	-11.29%	-14.22%	-4.55%
Fraud	938	630	308	33.16%	32.84%	1,159	812	347	31.53%	-19.07%	-22.41%	-11.24%
Embezzlement	112	72	40	3.96%	35.71%	101	62	39	4.00%	10.89%	16.13%	2.56%
Breach of trust	159	94	65	5.62%	40.88%	124	98	26	6.95%	28.23%	-4.08%	150.00%
Usury	37	37	0	1.31%	0.00%	13	12	1	1.73%	184.62%	208.33%	-100.00%
Smuggling	21	20	1	0.74%	4.76%	31	28	3	0.86%	-32.26%	-28.57%	-66.67%
Violation of Tax Collection Act	718	433	285	25.38%	39.69%	988	647	341	35.11%	-27.33%	-33.08%	-16.42%
Counterfeit or Alteration of Currency and Negotiable Securities	14	10	4	0.49%	28.57%	12	7	5	0.21%	16.67%	42.86%	-20.00%
Violation of Tobacco and Alcohol Administration Act	8	8	0	0.28%	0.00%	8	7	1	0.03%	0.00%	14.29%	-100.00%
Violation of Banking Act	165	117	48	5.83%	29.09%	201	148	53	3.95%	-17.91%	-20.95%	-9.43%
Infringement of Intellectual Property Rights	150	123	27	5.30%	18.00%	125	101	24	4.18%	20.00%	21.78%	12.50%
Violation of Securities & Exchange Act	323	234	89	11.42%	27.55%	295	208	87	8.99%	9.49%	12.50%	2.30%
Violation of Fair Trade Act	1	1	0	0.04%	0.00%	9	8	1	0.00%	-88.89%	-87.50%	-100.00%
Violation of Futures Trading Law	52	37	15	1.84%	28.85%	57	36	21	1.67%	-8.77%	2.78%	-28.57%
Violation of Insurance Act	15	9	6	0.53%	40.00%	5	5	0	0.21%	200.00%	80.00%	NA
Other Offenses Undermining Economic Order	116	81	35	4.10%	30.17%	61	43	18	0.58%	90.16%	88.37%	94.44%



Graph 3.01 Comparison of Suspects Committing Economic Crimes in 2008 and 2009, by Gender

Table 3.03 Statistics of Suspects Committing Economic Crimes over the Period of 2005~2009, by Gender

Year \ Gender	Total	Male		Female	
	No. of Suspects	No. of Suspects	%	No. of Suspects	%
Total	15,083	10,896	72.24%	4,187	27.76%
2005	2,306	1,807	78.36%	499	21.64%
2006	2,934	2,197	74.88%	737	25.12%
2007	3,825	2,764	72.26%	1,061	27.74%
2008	3,189	2,222	69.68%	967	30.32%
2009	2,829	1,906	67.37%	923	32.63%



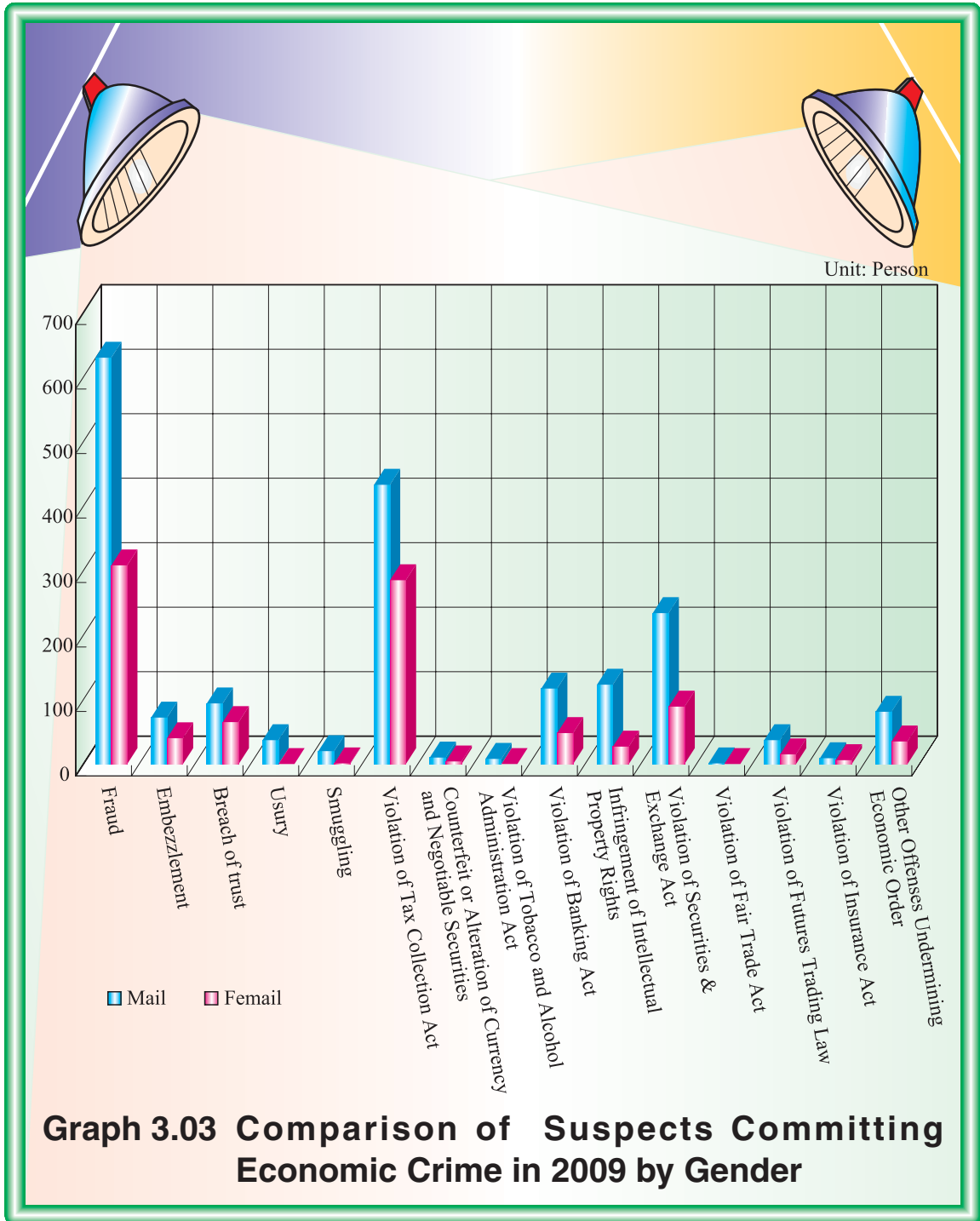


Table 3.04 Statistics of Suspects Committing Economic Crimes in 2008 and 2009, by Age

Type of Offenses	Age		Under 18		18-19		20-29		30-39		40-49	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	2,829	3,189	15	30	13	22	383	385	627	870	842	965
Fraud	938	1,159	7	27	11	17	173	220	212	299	250	288
Embezzlement	112	101	0	0	2	0	4	6	26	28	36	27
Breach of trust	159	124	0	0	0	0	80	4	20	32	18	33
Usury	37	13	0	0	0	0	12	3	18	8	6	2
Smuggling	21	31	0	0	0	0	1	1	7	7	9	13
Violation of Tax Collection Act	718	988	1	1	0	1	54	59	140	248	241	341
Counterfeit or Alteration of Currency and Negotiable Securities	14	12	0	0	0	0	0	0	3	4	3	4
Violation of Tobacco and Alcohol Administration Act	8	8	0	0	0	0	0	0	3	4	2	2
Violation of Banking Act	165	201	3	0	0	0	12	23	45	60	61	64
Infringement of Intellectual Property Rights	150	125	2	2	0	4	16	25	36	33	50	43
Violation of Securities & Exchange Act	323	295	2	0	0	0	6	21	68	97	118	108
Violation of Fair Trade Act	1	9	0	0	0	0	0	2	0	1	0	2
Violation of Futures Trading Law	52	57	0	0	0	0	6	14	17	24	14	10
Violation of Insurance Act	15	5	0	0	0	0	1	0	1	0	8	2
Other Offenses												
Undermining Economic Order	116	61	0	0	0	0	18	7	31	25	26	26

Table 3.04 (cont'd)

Type of Offenses \ Age	50-59		60-69		70-79		Over 80		Unknown	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	666	663	201	172	42	40	40	3	0	39
Fraud	206	203	58	55	10	14	11	2	0	34
Embezzlement	30	25	5	13	7	2	2	0	0	0
Breach of trust	24	38	16	12	0	3	1	1	0	1
Usury	0	0	1	0	0	0	0	0	0	0
Smuggling	3	8	0	2	0	0	1	0	0	0
Violation of Tax Collection Act	197	259	59	63	12	15	14	0	0	1
Counterfeit or Alteration of Currency and Negotiable Securities	6	4	2	0	0	0	0	0	0	0
Violation of Tobacco and Alcohol Administration Act	2	2	1	0	0	0	0	0	0	0
Violation of Banking Act	34	41	7	9	2	4	1	0	0	0
Infringement of Intellectual Property Rights	28	18	11	0	1	0	6	0	0	0
Violation of Securities & Exchange Act	85	55	33	10	10	1	1	0	0	3
Violation of Fair Trade Act	1	1	0	2	0	1	0	0	0	0
Violation of Futures Trading Law	14	6	1	3	0	0	0	0	0	0
Violation of Insurance Act	5	2	0	1	0	0	0	0	0	0
Other Offenses Undermining Economic Order	31	1	7	2	0	0	3	0	0	0

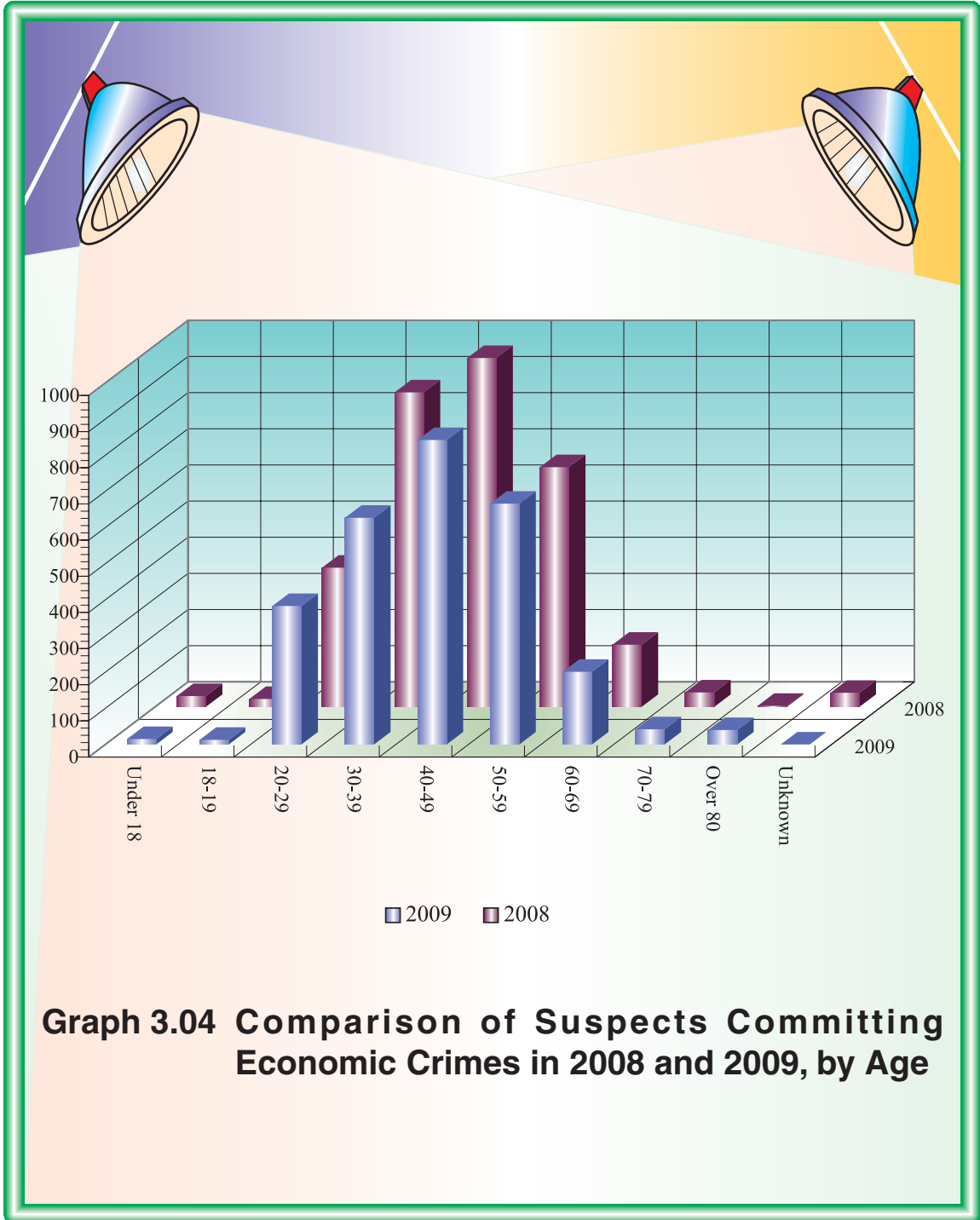
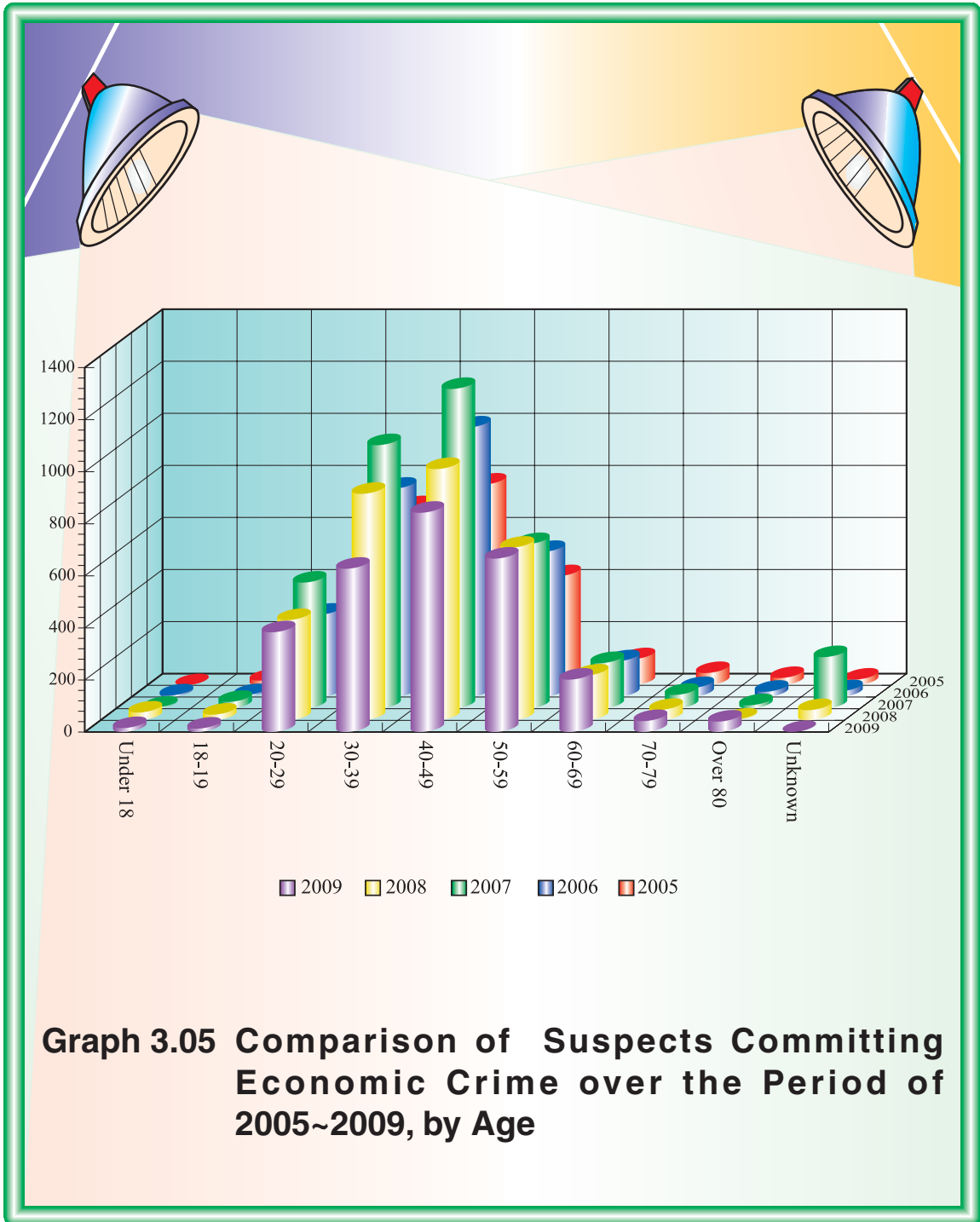


Table 3.05 Statistics of Suspects Committing Economic Crimes over the Period of 2005~2009, by Age

Age \ Year	2005		2006		2007		2008		2009	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	2,306	100%	2,934	100%	3,825	100%	3,189	100%	2,829	100%
Under18	0	0.00%	6	0.20%	4	0.10%	30	0.94%	15	0.53%
18-19	18	0.78%	7	0.24%	26	0.68%	22	0.69%	13	0.46%
20-29	217	9.41%	316	10.77%	484	12.65%	385	12.07%	383	13.54%
30-39	684	29.66%	800	27.27%	1,012	26.46%	870	27.28%	627	22.16%
40-49	771	33.43%	1,035	35.28%	1,228	32.10%	965	30.26%	842	29.76%
50-59	419	18.17%	557	18.98%	632	16.52%	663	20.79%	666	23.54%
60-69	100	4.34%	137	4.67%	175	4.58%	172	5.39%	201	7.10%
70-79	47	2.04%	34	1.16%	53	1.39%	40	1.25%	42	1.48%
Over80	28	1.21%	20	0.68%	13	0.34%	3	0.09%	40	1.41%
Unknown	22	0.95%	22	0.75%	198	5.18%	39	1.22%	0	0.00%



Graph 3.05 Comparison of Suspects Committing Economic Crime over the Period of 2005~2009, by Age

education or higher, which is the highest among all suspects; followed by 407 suspects (14.39%) with high school (vocational school) education; 300 suspects (10.6%) with elementary school education or lower; 189 suspects (6.68%) with middle school education; and the educational backgrounds of 46 suspects (1.63%) are unknown (see Table 3.06 and Graph 3.06).

According to the five-year average of suspects by education, suspects with college education or higher accounted for the highest percentage (7,499, 49.39%), followed by 4,057 suspects (26.9%) with high school (vocational school) education, 1,707 suspects (11.32%) with middle school education, and 1,614 suspects (10.7%) with elementary school education or lower. These statistics indicate that most suspects involved in economic crimes have high educational levels (see Table 3.07 and Graph 3.07).

D. Sources of Cases

Among the 756 cases investigated, 316 cases (41.80%) were initiated by the Bureau, which including: 3 cases of counterfeit or alteration of currency or negotiable securities, accounting for 75% of the 4 cases in this category; 161 fraud cases, accounting for 55.33% of the 291 cases in this category; 7 usury cases, accounting for 50% of the 14 cases in this category; 25 embezzlement cases, accounting for 37.88% of the 66 cases in this category; 9 breach of trust cases, accounting for 37.25% of the 24 cases in this

category; 19 cases of violation of the Banking Act violation, accounting for 37.25% of the 51 cases in this category; 8 other cases that undermined economic order, accounting for 36.36% of the 22 cases in this category; 37 cases of infringement of intellectual property rights, accounting for 35.24% of the 105 cases in this category; 26 cases of violation of the Securities & Exchange Act, accounting for 32.50% of the 80 cases in this category; 2 cases of violation of the Insurance Act, accounting for 28.57% of the 7 cases in this category; and 1 case of violation of the Tobacco Alcohol Administration Act, accounting for 25% of the 4 cases in this category (see Table 3.08 and Graph 3.08).

Other sources of cases included 184 cases (24.34%) referred by other government agencies, 153 cases (20.24%) reported by informants, and 106 cases (13.10%) directed by prosecutors.

In 2009, the majority of cases were initiated by the Bureau, the cases commanded by authorities and referred by other government agencies increased, and the cases directed by prosecutors decreased. This trend suggests that more manpower should be assigned to prosecutors offices to assist in collecting evidences.

According to the five-year average of suspects by sources of cases, 1,541 cases were initiated by the Bureau, accounting for 41.84% of the five-year total (3,683 cases), followed by 773 cases (20.99%) referred by other government agencies, 754 cases (20.47%)

Table 3.06 Statistics of Suspects Committing Economic Crimes in 2008 and 2009, by Educational Level

Level of Education Offenses	Total		Elementary and Below		Junior High School		Senior High School		College and Above		Unknown	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	2,829	3,189	300	358	189	290	407	601	1,887	1,850	46	90
Fraud	938	1,159	116	130	68	155	171	307	556	519	27	48
Embezzlement	112	101	4	3	3	3	15	27	88	65	2	3
Breach of trust	159	123	6	1	4	5	8	15	141	96	0	6
Usury	37	13	1	1	5	1	12	4	19	5	0	2
Smuggling	21	31	4	4	6	3	6	15	5	8	0	1
Violation of Tax Collection Act	718	988	81	178	76	71	87	86	467	638	7	15
Counterfeit or Alteration of Currency and Negotiable Securities	14	12	0	0	0	4	3	1	11	6	0	1
Violation of Tobacco and Alcohol Administration Act	8	8	0	0	1	2	2	4	5	2	0	0
Violation of Banking Act	165	201	16	12	8	18	31	45	109	124	1	2
Infringement of Intellectual Property Rights	150	126	9	10	7	14	30	44	102	56	2	2
Violation of Securities & Exchange Act	323	295	47	11	5	6	19	21	246	248	6	9
Violation of Fair Trade Act	1	9	0	1	0	0	0	3	1	5	0	0
Violation of Futures Trading Law	52	57	3	6	1	5	6	16	42	30	0	0
Violation of Insurance Act	15	5	0	0	0	0	0	2	15	3	0	0
Other Offenses Undermining Economic Order	116	61	13	1	5	3	17	11	80	45	1	1

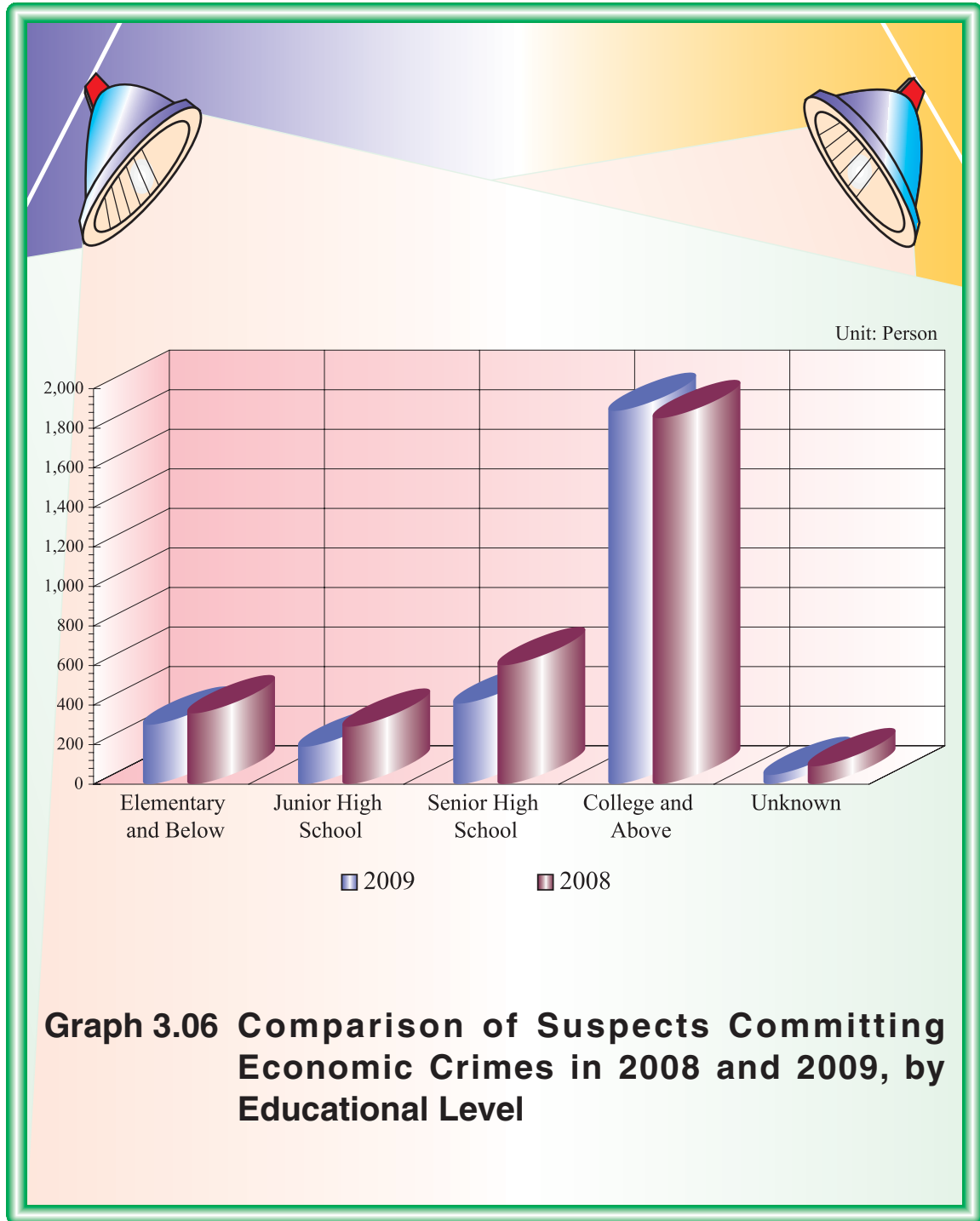


Table 3.07 Statistics of Suspects Committing Economic Crimes over the Period of 2005~2009, by Educational Level

Level of Education \ 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	15,083	100%	1,614	10.70%	1,707	11.32%	4,057	26.90%	7,449	49.39%	256	1.70%
2005	2,306	100%	406	17.61%	394	17.09%	711	30.83%	762	33.04%	33	1.43%
2006	2,934	100%	250	8.52%	375	12.78%	1,067	36.37%	1,197	40.80%	45	1.53%
2007	3,825	100%	300	7.84%	459	12.00%	1,271	33.23%	1,753	45.83%	42	1.10%
2008	3,189	100%	358	11.23%	290	9.09%	601	18.85%	1,850	58.01%	90	2.82%
2009	2,829	100%	300	10.60%	189	6.68%	407	14.39%	1,887	66.70%	46	1.63%

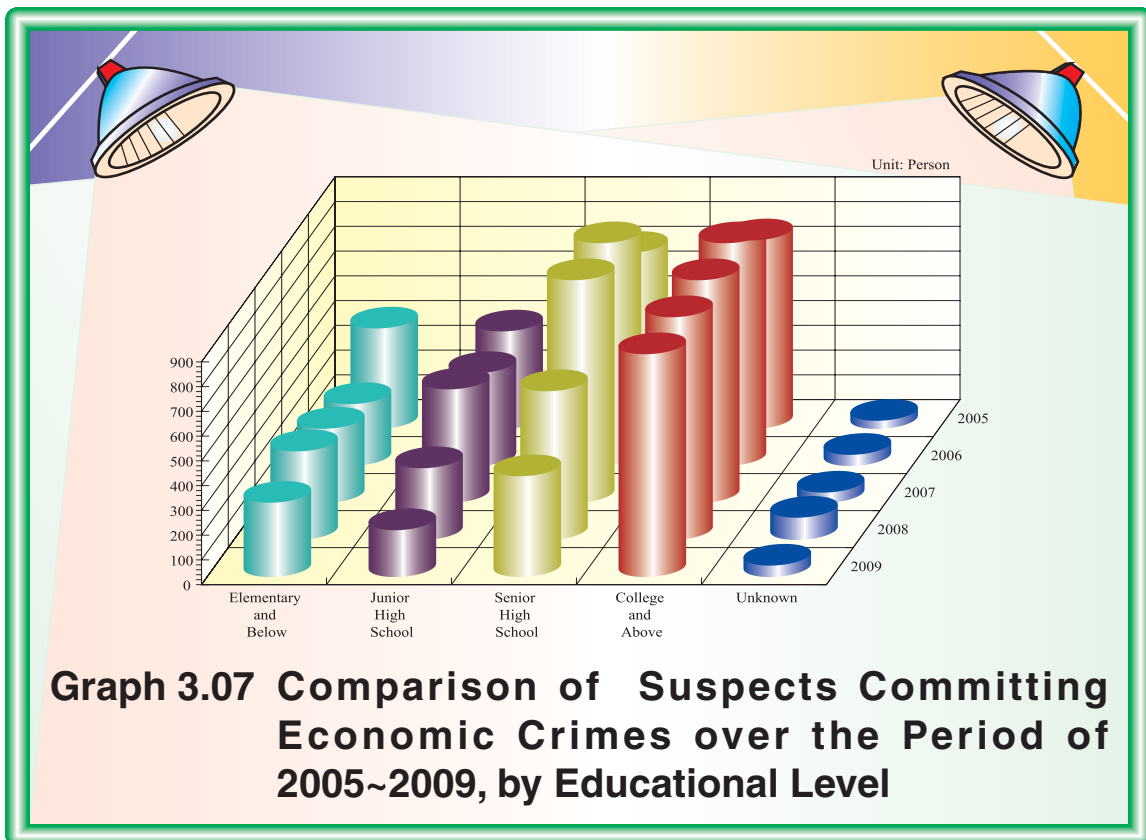
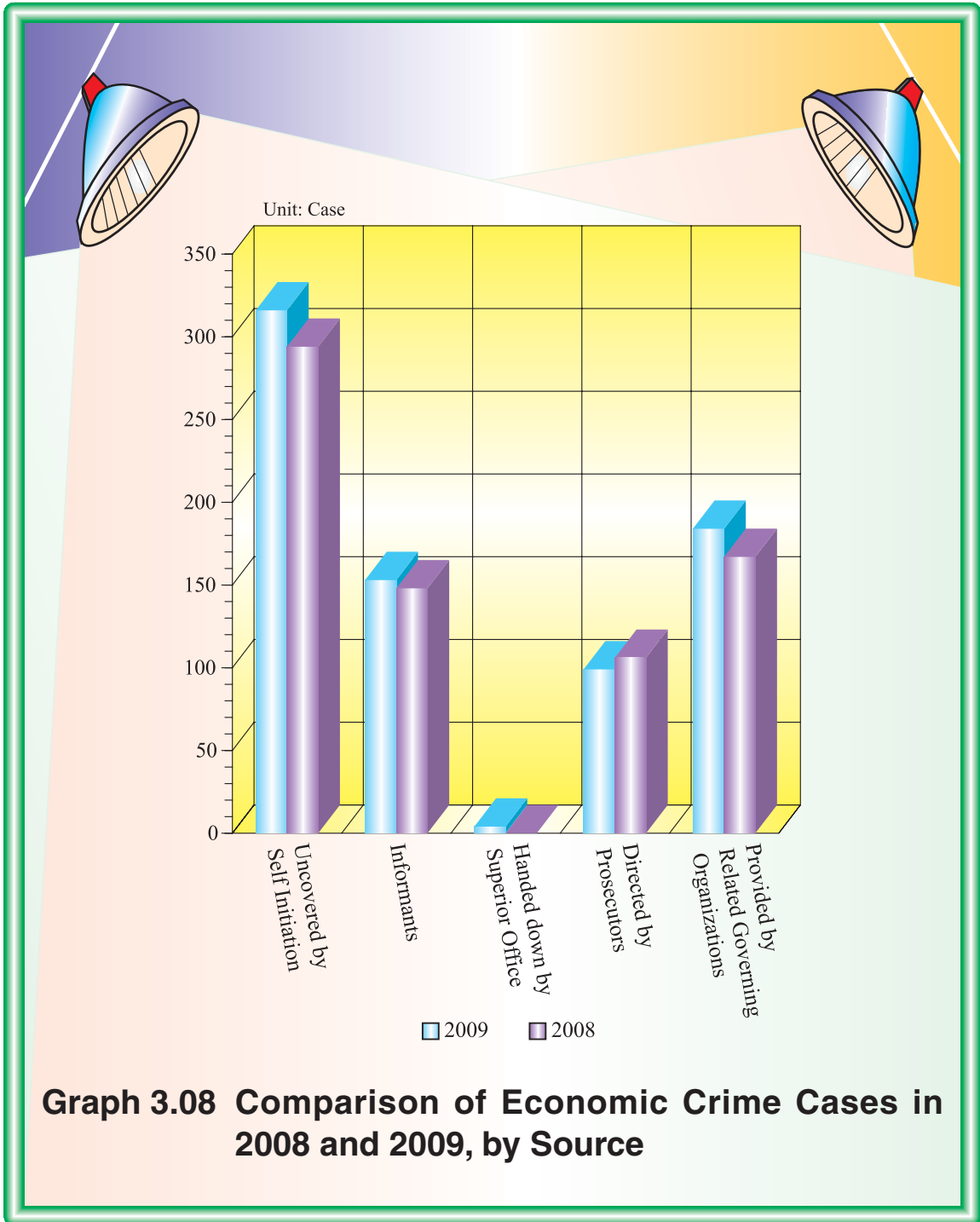


Table 3.08 Statistics of Sources of Economic Crimes in 2008 and 2009

Unit: Case

Offenses \ Origination	Total		Uncovered by Self Initiation				Informants		Handed down by Superior Office		Directed by Prosecutors		Provided by Related Governing Organizations	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	756	715	316	41.80%	294	41.12%	153	148	4	0	99	106	184	167
Fraud	291	262	161	55.33%	141	53.82%	54	62	1	0	38	29	37	30
Embezzlement	66	51	25	37.88%	11	21.57%	17	14	1	0	7	5	16	21
Breach of trust	24	28	9	37.50%	12	42.86%	5	6	0	0	5	7	5	3
Usury	14	7	7	50.00%	5	71.43%	5	1	0	0	1	1	1	0
Smuggling	10	27	1	10.00%	0	0.00%	0	1	0	0	0	0	9	26
Violation of Tax Collection Act	60	72	14	23.33%	17	23.61%	4	4	0	0	14	30	28	21
Counterfeit or Alteration of Currency and Negotiable Securities	4	7	3	75.00%	5	71.43%	1	0	0	0	0	1	0	1
Violation of Tobacco and Alcohol Administration Act	4	7	1	25.00%	1	NA	1	0	0	0	1	0	1	6
Violation of Banking Act	51	58	19	37.25%	31	53.45%	22	18	0	0	8	5	2	4
Infringement of Intellectual Property Rights	105	79	37	35.24%	40	50.63%	12	13	0	0	0	0	56	26
Violation of Securities & Exchange Act	80	69	26	32.50%	23	33.33%	16	13	2	0	20	21	16	12
Violation of Fair Trade Act	1	3	0	0.00%	2	NA	0	0	0	0	1	1	0	0
Violation of Futures Trading Law	17	15	3	17.65%	2	13.33%	8	5	0	0	1	2	5	6
Violation of Insurance Act	7	2	2	28.57%	0	0.00%	2	2	0	0	1	0	2	0
Other Offenses Undermining Economic Order	22	28	8	36.36%	4	14.29%	6	9	0	0	2	4	6	11



reported by informant, and 600 cases (16.29%) directed by prosecutors. As seen, the cases initiated by the Bureau were the major source of cases, which is attributed to the close connection of field agents with the tasks undertaken in their respective jurisdictions (see Table 3.09 and Graph 3.09).

E. Causes of Crimes

The statistics of economic crimes in 2009 showed that, 1,408 suspects (49.77%) were tempted by opportunistic profit, followed by 678 suspects (23.97%) were prompted by distorted concepts; 152 suspects (5.37%)

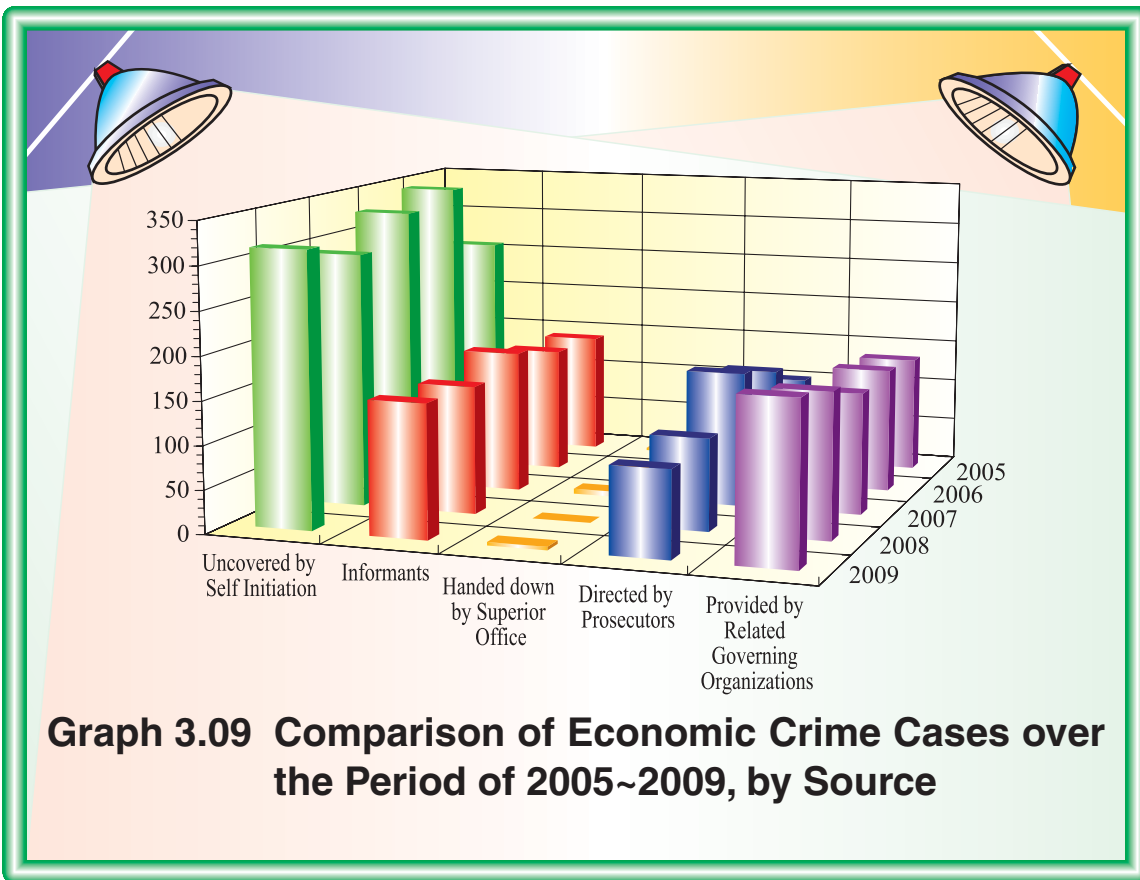
were habitual offenders; 141 suspects (4.98%) committed temporary acts of misconduct; 127 suspects (4.49%) were implicated by others; 122 suspects (4.31%) exploited oversights of laws or regulations; 64 suspects (2.26%) were due to poor business operations; 33 suspects (1.17%) were due to other causes; 29 suspects (1.03%) were prompted by difficulties in livelihood; 25 suspects (0.88%) were due to external enticement; 12 suspects (0.42%) were due to natures of illness; 12 suspects (0.42%) were prompted by economic cycles; 10 suspects (0.35%) were due to family factors; 10 suspects (0.35%) were due to bad

Table 3.09 Statistics of Sources of Economic Crimes over the Period of 2005~2009

Year	Total		Uncovered by Self Initiation		Informants	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	3,683	100.00%	1,541	41.84%	754	20.47%
2005	643	100.00%	259	40.28%	142	22.08%
2006	773	100.00%	344	44.50%	146	18.89%
2007	796	100.00%	328	41.21%	165	20.73%
2008	715	100.00%	294	41.12%	148	20.70%
2009	756	100.00%	316	41.80%	153	20.24%

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	15	0.41%	600	16.29%	773	20.99%
2005	3	0.47%	103	16.02%	136	21.15%
2006	2	0.26%	136	17.59%	145	18.76%
2007	6	0.75%	156	19.60%	141	17.71%
2008	0	0.00%	106	14.83%	167	23.36%
2009	4	0.53%	99	13.10%	184	24.34%



habits; 6 suspects (0.21%) were due to a lack of education; (see Tables 3.10 and 3.11, and Graph 3.10).

The 5-year statistics indicate that, among the 15,083 suspects, 8,184 suspects (49.77%) were tempted by opportunistic profit, accounting for the highest percentage, 2,884 suspects (19.12%) were due to distorted concepts, 850 suspects (5.64%) involved habitual offenders, indicating that the common causes of crimes are associated with opportunistic behaviors of perceived “high profit and low risk” situations (see Table 3.11 and Graph 3.11).

F. Areas of Crimes

In 2009, the highest percentage of economic crimes was in Taipei City (188 cases, 24.9%); followed by Kaohsiung City (92 cases, 12.2%); Taipei County (72 cases, 9.5%); cross-county/city crimes (58 cases, 7.7%); Taoyuan County (46 cases, 6.1%); Taichung County (42 cases, 5.6%); Keelung City (39 cases, 5.2%); Taichung City (34 cases, 4.5%); Kaohsiung County (27 cases, 3.6%); Tainan County (25 cases, 3.3%); Changhua County (21 cases, 2.8%); Tainan City (14 cases, 1.9%); Hsinchu City (12 cases, 1.6%); Yilan County and Chiayi County (11 cases, 1.5%, respectively); Yunlin County (10 cases, 1.3%); Miaoli County and Pingtung County (9 cases, 1.2%, respectively); Hualien County (8 cases, 1.1%); Chiayi City and Taitung County (6 cases, 0.8%, respectively); Nantou County (5 cases, 0.7%); Hsinchu County and Kinmen

County (4 cases, 0.5%, respectively); Penghu County (2 cases, 0.3%); and Matsu (1 cases, 0.1%) (see Table 3.12).

The occurrence of economic crimes are higher in urban areas where frequent economic activities occur, such as Taipei City, Kaohsiung City, Taipei County, and Taoyuan County. The common patterns include fraud, Tax Collection Act violation, infringement of intellectual property rights; Securities & Exchange Act violations, Banking Act violations, embezzlement, breach of trust, and Futures Trading Law violations (see Table 3.12).

II. General Crime Cases

In 2009, the Bureau investigated 165 general crime cases, which was 7.84% more than the 153 cases in 2008. These cases involved 298 suspects, which was 4.79% less than the 313 suspects in 2008. Due to the small number of general crime cases and their distinctive patterns, a related statistical analysis is not available for comparison.

Table 3.10 Statistics of Causes of Economic Crimes in 2008 and 2009

Cause Offenses	Total		Oversight of Act		Poor Business Operation		Economically Affected	
	2,009	2,008	2009	2008	2009	2008	2009	2008
Total	2,829	3,189	122	105	64	51	12	26
Fraud	938	1,159	70	61	25	20	9	6
Embezzlement	112	101	2	0	2	5	2	0
Breach of trust	159	124	7	5	1	8	0	0
Usury	37	13	0	0	0	0	0	0
Smuggling	21	31	1	1	0	1	0	0
Violation of Tax Collection Act	718	988	3	14	10	9	0	3
Counterfeit or Alteration of Currency and Negotiable Securities	14	12	0	0	0	0	0	0
Violation of Wine and Tobacco Management Act	8	8	2	2	0	0	0	0
Violation of Banking Act	165	201	4	12	1	1	1	5
Infringement of Intellectual Property Rights	150	125	18	4	2	0	0	11
Violation of Securities & Exchange Act	323	295	1	5	23	7	0	1
Violation of Fair Trade Act	1	9	0	0	0	0	0	0
Violation of Futures Trading Law	52	57	6	0	0	0	0	0
Violation of Insurance Act	15	5	3	0	0	0	0	0
Other Offenses Undermining Economic Order	117	61	6	1	0	0	0	0

Table 3.10 (cont.)

Cause \ Offenses	Implicated by Others		Opportunistic Profit		Habitual Offense		Distorted Concept	
	2009	2008	2009	2008	2009	2008	2009	2008
Total	127	107	1,408	1,783	152	159	678	640
Fraud	23	56	471	539	58	82	153	285
Embezzlement	11	4	50	63	3	1	26	12
Breach of trust	29	7	107	78	6	1	6	14
Usury	0	0	18	8	14	1	5	0
Smuggling	3	0	17	13	0	2	0	3
Violation of Tax Collection Act	30	16	321	646	14	23	313	204
Counterfeit or Alteration of Currency and Negotiable Securities	0	2	7	5	0	0	0	2
Violation of Tobacco and Alcohol Administration Act	0	1	6	4	0	0	0	0
Violation of Banking Act	11	2	95	89	4	31	41	31
Infringement of Intellectual Property Rights	10	4	59	49	19	9	24	23
Violation of Securities & Exchange Act	9	13	161	196	24	5	75	49
Violation of Fair Trade Act	0	0	1	8	0	0	0	0
Violation of Futures Trading Law	1	1	32	43	0	4	6	6
Violation of Insurance Act	0	0	9	2	0	0	3	3
Other Offenses Undermining Economic Order	0	1	54	40	10	0	26	8

Table 3.10 (cont.)

Cause \ Offenses	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	2009	2008	2009	2008	2009	2008	2009	2008
Total	29	34	25	50	10	11	10	4
Fraud	17	19	23	19	6	0	2	3
Embezzlement	1	3	0	0	2	1	3	0
Breach of trust	0	0	1	2	0	2	0	0
Usury	0	0	0	0	0	0	0	0
Smuggling	0	0	0	0	0	0	0	0
Violation of Tax Collection Act	8	0	0	24	1	6	0	1
Counterfeit or Alteration of Currency and Negotiable Securities	1	0	0	1	0	1	0	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0
Violation of Banking Act	0	2	0	0	0	0	0	0
Infringement of Intellectual Property Rights	1	6	0	0	0	1	0	0
Violation of Securities & Exchange Act	0	2	0	2	0	0	0	0
Violation of Fair Trade Act	0	0	0	1	0	0	0	0
Violation of Futures Trading Law	1	2	0	0	0	0	5	0
Violation of Insurance Act	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	0	0	1	1	1	0	0	0

Table 3.10 (cont.)

Cause \ Offenses	Temporary Misconduct		Lack of Education		Ill nature		Others	
	2009	2008	2009	2008	2009	2008	2009	2008
Total	141	63	6	5	12	12	33	139
Fraud	58	10	6	0	5	2	12	57
Embezzlement	10	11	0	0	0	0	0	1
Breach of trust	2	4	0	0	0	0	0	3
Usury	0	0	0	0	0	4	0	0
Smuggling	0	5	0	0	0	0	0	6
Violation of Tax Collection Act	14	4	0	0	1	0	3	38
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	1	6	0
Violation of Tobacco and Alcohol Administration Act	0	1	0	0	0	0	0	0
Violation of Banking Act	2	5	0	2	6	0	0	21
Infringement of Intellectual Property Rights	15	12	0	2	0	4	2	0
Violation of Securities & Exchange Act	22	3	0	1	0	0	8	11
Violation of Fair Trade Act	0	0	0	0	0	0	0	0
Violation of Futures Trading Law	1	0	0	0	0	1	0	0
Violation of Insurance Act	0	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	17	8	0	0	0	0	2	2

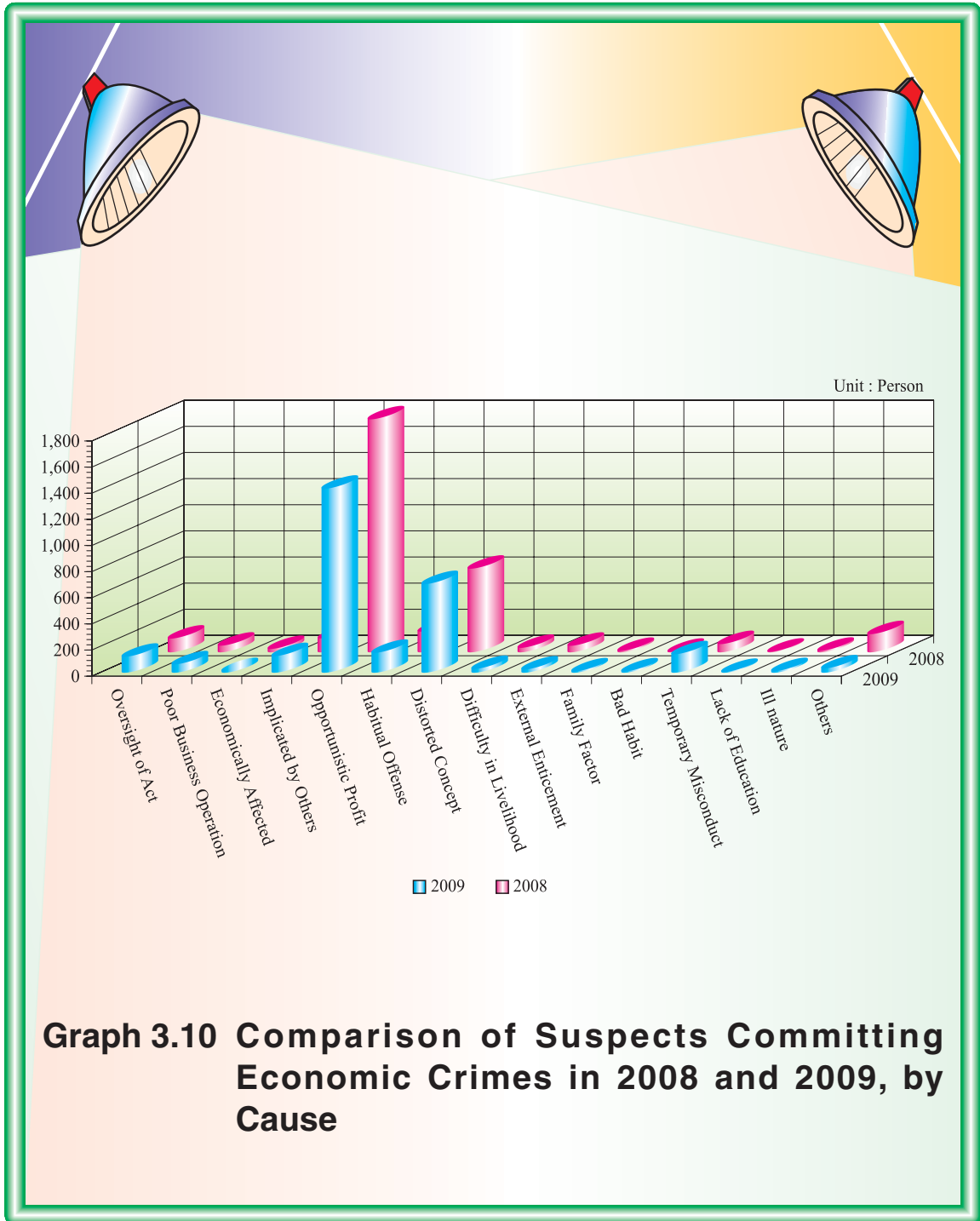


Table 3.11 Statistics of Causes of Economic Crimes over the Period of 2005~2009

Cause \ Year	Total		Oversight of Act		Poor Business Operation		Economically Affected	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	15,083	100%	521	3.45%	339	2.25%	188	1.25%
2005	2,306	100%	87	3.77%	81	3.51%	26	1.13%
2006	2,934	100%	45	1.53%	59	2.01%	40	1.36%
2007	3,825	100%	162	4.24%	84	2.20%	84	2.20%
2008	3,189	100%	105	3.29%	51	1.60%	26	0.82%
2009	2,829	100%	122	4.31%	64	2.26%	12	0.42%

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	692	4.59%	8,184	54.26%	850	5.64%	2,884	19.12%
2005	75	3.25%	1,251	54.25%	117	5.07%	441	19.12%
2006	171	5.83%	1,711	58.32%	205	6.99%	444	15.13%
2007	212	5.54%	2,031	53.10%	217	5.67%	681	17.80%
2008	107	3.36%	1,783	55.91%	159	4.99%	640	20.07%
2009	127	4.49%	1,408	49.77%	152	5.37%	678	23.97%

Table 3.11 (cont.)

Year \ Cause	Difficulty in Livelihood		External Enticement		Family Factor		Bad Habit	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	178	1.18%	215	1.43%	61	0.40%	43	0.29%
2005	15	0.65%	65	2.82%	10	0.43%	5	0.22%
2006	43	1.47%	46	1.57%	14	0.48%	17	0.58%
2007	57	1.49%	29	0.76%	16	0.42%	7	0.18%
2008	34	1.07%	50	1.57%	11	0.34%	4	0.13%
2009	29	1.03%	25	0.88%	10	0.35%	10	0.35%

Table 3.11 (cont.)

Year \ Cause	Temporary Misconduct		Lack of Education		Ill nature		Others	
	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%	No. of Suspects	%
Total	407	2.70%	59	0.39%	106	0.70%	356	2.36%
2005	102	4.42%	1	0.04%	11	0.48%	19	0.82%
2006	58	1.98%	39	1.33%	29	0.99%	13	0.44%
2007	43	1.12%	8	0.21%	42	1.10%	152	3.97%
2008	63	1.98%	5	0.16%	12	0.38%	139	4.36%
2009	141	4.98%	6	0.21%	12	0.42%	33	1.17%

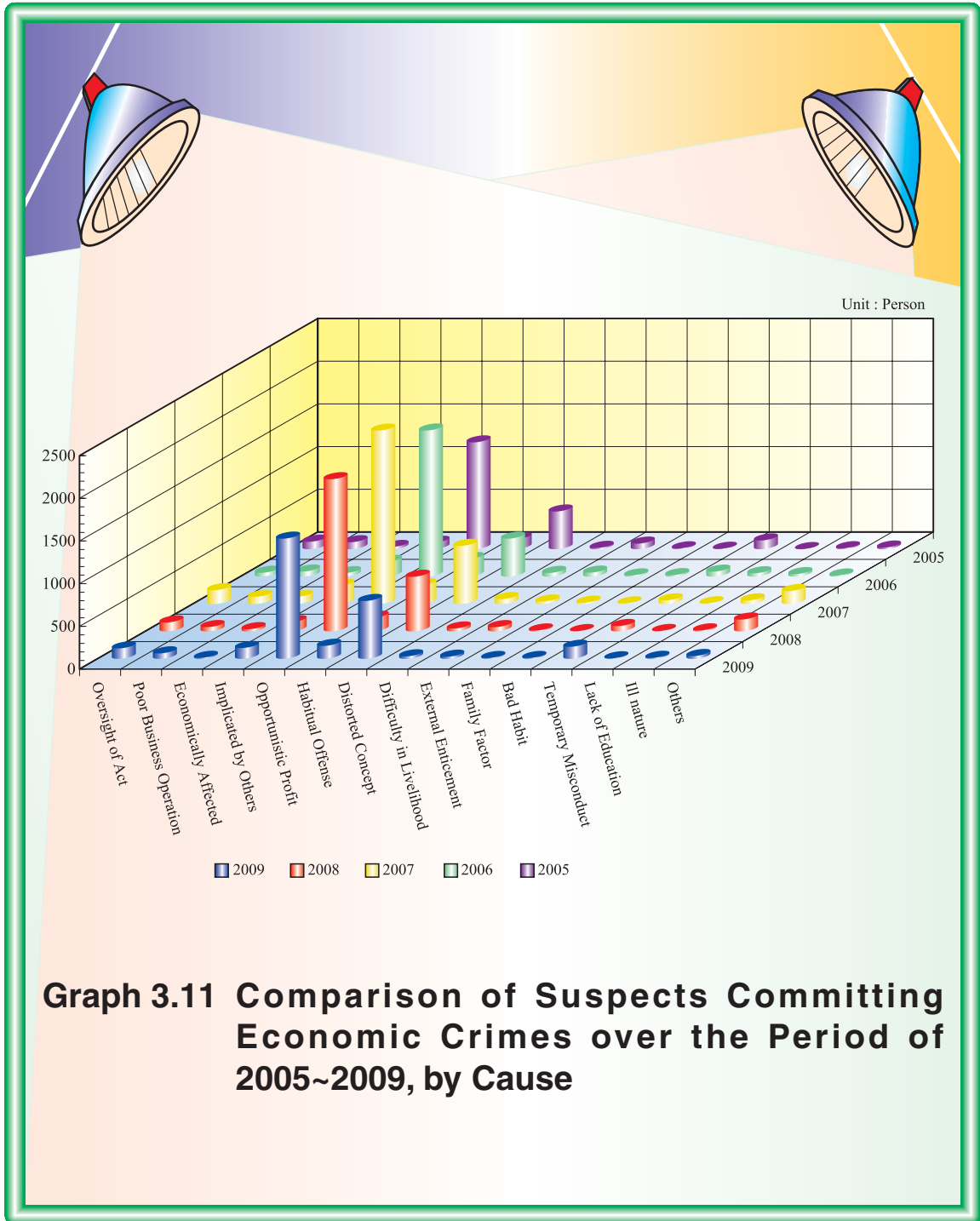


Table 3.12 Statistics of Areas of Economic Crimes in 2008 and 2009

Unit: Case

Offense \ Area	Total		Taipei City		Kaohsiung City		Taipei County		Keelung City		Ilan County		Taoyuan County	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	756	715	188	138	92	64	72	49	39	28	11	8	46	45
Fraud	291	262	46	23	49	24	25	18	1	3	6	3	15	16
Embezzlement	66	51	22	10	4	3	3	2	2	1	2	0	5	3
Breach of trust	24	28	6	13	2	0	5	1	0	0	0	0	1	0
Usury	14	7	2	1	4	1	0	0	0	0	0	0	1	2
Smuggling	10	27	0	0	7	10	0	1	3	7	0	0	0	0
Violation of Tax Collection Act	60	72	17	13	7	4	3	8	0	0	1	3	4	14
Counterfeit or Alteration of Currency and Negotiable Securities	4	7	1	0	0	0	0	0	0	0	0	0	0	1
Violation of Tobacco and Alcohol Administration Act	4	7	0	0	1	3	0	0	1	3	0	0	0	0
Violation of Banking Act	51	58	13	18	3	9	4	2	1	1	1	1	4	0
Infringement of Intellectual Property Rights	105	79	8	7	7	5	17	7	31	13	0	1	5	6
Violation of Securities & Exchange Act	80	69	50	29	1	4	11	7	0	0	1	0	4	1
Violation of Fair Trade Act	1	3	0	0	0	1	0	0	0	0	0	0	0	0
Violation of Futures Trading Act	17	15	11	9	2	0	2	1	0	0	0	0	0	0
Violation of Insurance Law	7	2	2	2	0	0	1	0	0	0	0	0	0	0
Other Offenses Undermining Economic Order	30	28	10	13	5	0	1	2	0	0	0	0	7	2

Table 3.12 (cont.)

Area \ Offense	Hsinchu City		Hsinchu County		Miaoli County		Taichung City		Taichung County		Changhwa County		Nantou County	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	12	12	4	7	9	5	34	22	42	29	21	20	5	4
Fraud	7	1	2	3	6	1	16	6	23	9	10	9	2	3
Embezzlement	0	2	0	0	0	0	3	2	2	3	2	5	1	1
Breach of trust	2	1	1	0	0	1	0	1	1	0	0	0	0	0
Usury	0	0	0	0	0	0	0	0	2	1	1	0	0	0
Smuggling	0	0	0	0	0	0	0	0	0	2	0	0	0	0
Violation of Tax Collection Act	0	1	1	0	0	2	4	3	3	0	0	1	1	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	1	0	0	0	0	0	0	0	0	1	0
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Banking Act	1	0	0	0	1	0	5	4	0	1	3	0	0	0
Infringement of Intellectual Property Rights	1	1	0	2	1	0	2	3	9	9	3	4	0	0
Violation of Securities & Exchange Act	0	5	0	0	0	0	3	2	0	0	0	1	0	0
Violation of Fair Trade Act	0	0	0	0	0	0	0	0	1	1	0	0	0	0
Violation of Futures Trading Law	0	0	0	0	1	0	0	0	0	1	1	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	1	0	0	0	1	0	0	0
Other Offenses Undermining Economic Order	1	1	0	1	0	1	0	1	1	2	0	0	0	0

Table 3.12 (cont.)

Offense \ Area	Yunglin County		Chiayi City		Chiayi County		Tainan City		Tainan County		Kaohsiung County		Pingtung County	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	10	3	6	7	11	5	14	4	25	17	27	20	9	8
Fraud	5	2	5	2	5	3	3	2	18	12	10	5	2	5
Embezzlement	2	0	0	0	2	2	2	0	1	0	6	3	3	1
Breach of trust	1	0	0	0	0	0	1	0	1	1	1	1	0	0
Usury	1	0	0	0	1	0	0	0	0	0	0	0	0	0
Smuggling	0	0	0	0	0	0	0	0	0	0	0	4	0	0
Violation of Tax Collection Act	0	0	1	1	1	0	1	1	0	0	4	3	1	0
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	0	0	1	0
Violation of Banking Act	0	0	0	0	0	0	2	1	1	1	1	3	1	0
Infringement of Intellectual Property Rights	0	0	0	2	2	0	4	0	2	2	4	1	1	1
Violation of Securities & Exchange Act	0	0	0	1	0	0	0	0	1	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	1	0	0	0	0	0	0	0	0	0	0	0	0
Violation of Insurance Act	0	0	0	0	0	0	1	0	1	0	0	0	0	0
Other Offenses Undermining Economic Order	1	0	0	1	0	0	0	0	0	1	1	0	0	0

Table 3.12 (cont.)

Offense \ Area	Taitung County		Hualien County		Penghu County		Kinmen		Matsu		Cross-county	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Total	6	3	8	10	2	2	4	6	1	1	58	198
Fraud	1	2	3	5	2	1	2	5	0	1	27	98
Embezzlement	0	1	0	3	0	1	0	0	0	0	4	8
Breach of trust	1	0	0	0	0	0	0	0	0	0	1	9
Usury	2	0	0	0	0	0	0	0	0	0	0	2
Smuggling	0	0	0	0	0	0	0	1	0	0	0	2
Violation of Tax Collection Act	1	0	3	2	0	0	0	0	0	0	7	16
Counterfeit or Alteration of Currency and Negotiable Securities	0	0	0	0	0	0	0	0	0	0	2	4
Violation of Tobacco and Alcohol Administration Act	0	0	0	0	0	0	0	0	0	0	1	1
Violation of Banking Act	0	0	2	0	0	0	1	0	1	0	6	17
Infringement of Intellectual Property Rights	1	0	0	0	0	0	1	0	0	0	6	15
Violation of Securities & Exchange Act	0	0	0	0	0	0	0	0	0	0	9	19
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	0	3
Violation of Insurance Act	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	3	3

Table 3.13 Statistics of Areas of Economic Crimes over the Period of 2005~2009

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	3,683	100%	760	20.6%	425	11.5%	351	9.5%	144	3.9%	48	1.3%
2005	643	100%	132	20.5%	75	11.7%	74	11.5%	22	3.4%	7	1.1%
2006	773	100%	148	19.1%	113	14.6%	81	10.5%	31	4.0%	9	1.2%
2007	796	100%	154	19.3%	81	10.2%	75	9.4%	24	3.0%	13	1.6%
2008	715	100%	138	19.3%	64	9.0%	49	6.9%	28	3.9%	8	1.1%
2009	756	100%	188	24.9%	92	12.2%	72	9.5%	39	5.2%	11	1.5%

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	231	6.3%	60	1.6%	49	1.3%	35	1.0%	207	5.6%	162	4.4%
2005	36	5.6%	10	1.6%	10	1.6%	7	1.1%	31	4.8%	30	4.7%
2006	49	6.3%	14	1.8%	15	1.9%	8	1.0%	51	6.6%	30	3.9%
2007	55	6.9%	12	1.5%	13	1.6%	6	0.8%	69	8.7%	31	3.9%
2008	45	6.3%	12	1.7%	7	1.0%	5	0.7%	22	3.1%	29	4.1%
2009	46	6.1%	12	1.6%	4	0.5%	9	1.2%	34	4.5%	42	5.6%

Table 3.13 (cont.)

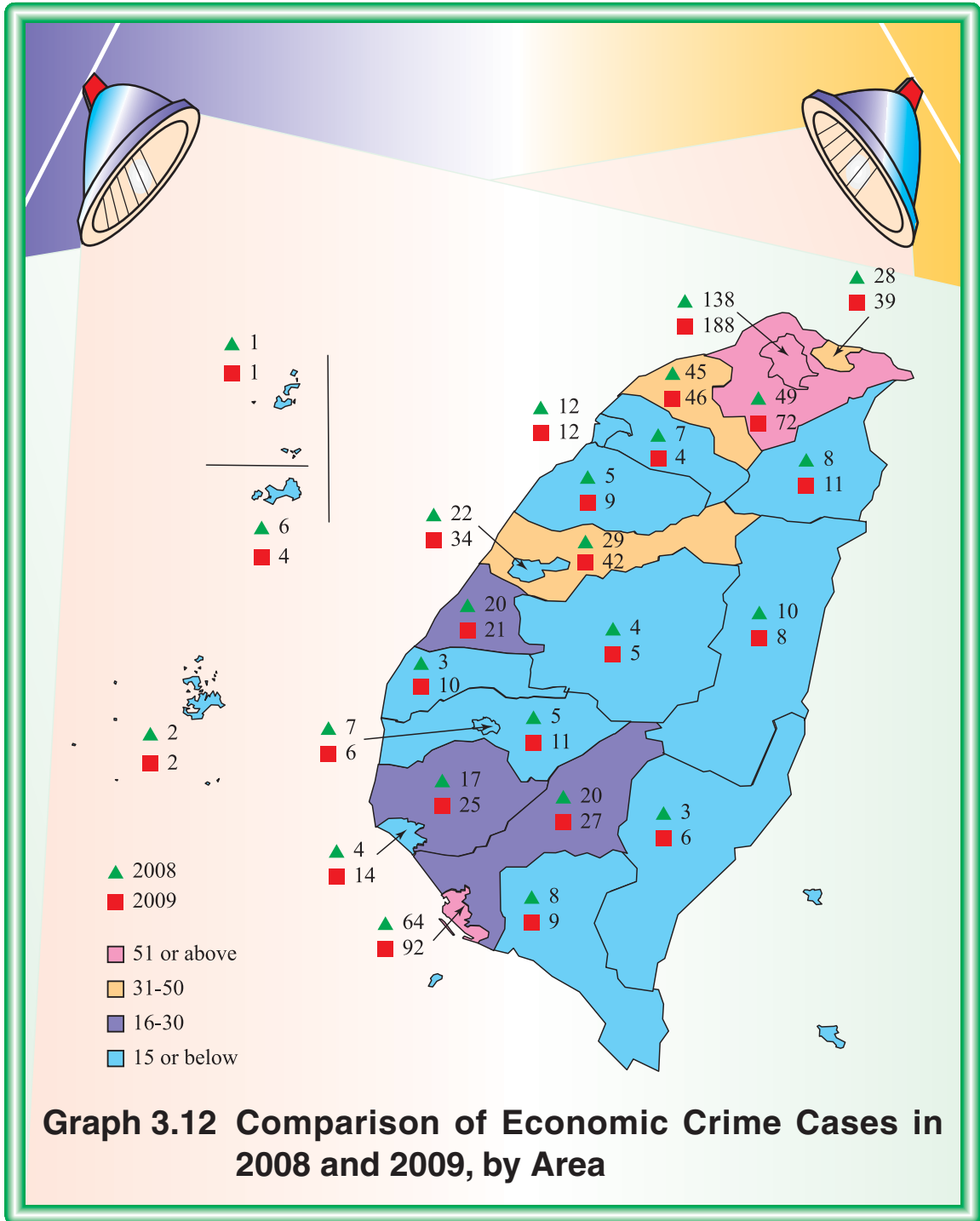
Area Year	Changhwa County		Nantou County		Yunglin County		Chiayi City		Chiayi County		Tainan City	
	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	136	3.7%	38	1.0%	49	1.3%	45	1.2%	40	1.1%	67	1.8%
2005	33	5.1%	6	0.9%	17	2.6%	10	1.6%	6	0.9%	21	3.3%
2006	30	3.9%	17	2.2%	15	1.9%	14	1.8%	7	0.9%	18	2.3%
2007	32	4.0%	6	0.8%	4	0.5%	8	1.0%	11	1.4%	10	1.3%
2008	20	2.8%	4	0.6%	3	0.4%	7	1.0%	5	0.7%	4	0.6%
2009	21	2.8%	5	0.7%	10	1.3%	6	0.8%	11	1.5%	14	1.9%

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	94	2.6%	102	2.8%	43	1.2%	16	0.4%	52	1.4%	11	0.3%
2005	17	2.6%	18	2.8%	7	1.1%	4	0.6%	7	1.1%	1	0.2%
2006	18	2.3%	2	0.3%	8	1.0%	2	0.3%	13	1.7%	3	0.4%
2007	17	2.1%	35	4.4%	11	1.4%	1	0.1%	14	1.8%	3	0.4%
2008	17	2.4%	20	2.8%	8	1.1%	3	0.4%	10	1.4%	2	0.3%
2009	25	3.3%	27	3.6%	9	1.2%	6	0.8%	8	1.1%	2	0.3%

Table 3.13 (cont.)

Area Year	Kinmen		Matsu		Cross-county	
	No. of Cases	%	No. of Cases	%	No. of Cases	%
Total	21	0.6%	3	0.1%	494	13.4%
2005	3	0.5%	1	0.2%	58	9.0%
2006	4	0.5%	0	0.0%	73	9.4%
2007	4	0.5%	0	0.0%	107	13.4%
2008	6	0.8%	1	0.1%	198	27.7%
2009	4	0.5%	1	0.1%	58	7.7%



Part Four

Outlook



Outlook

In the year ahead, the Bureau will continue to perform the tasks of economic crime prevention in line with the economic situation and criminal trends. Our concrete plans for 2010 are as follows:

I. Economic crime prevention:

- (I) Maintain records of financial operation situations of major domestic enterprise groups and financial insurance institutions, collect major alert intelligence concerning the transfer of profits of internal staff, corporation asset stripping, and involuntary bankruptcy, in advance, and then, take preventative measures at the appropriate time.
- (II) Strengthen the collection of information on insider trading activities of listed companies, the utilization of stocks by specific persons, manipulation of stock prices, breach of business transactions, alert intelligence of any attempts to use financial derivative products to engage in inadequate manipulation of stock, currency markets of foreign-funded enterprises, and financial institutions in order to enact preventative measures, in advance.
- (III) Strengthen the gathering of early warning information on crimes affecting the livelihood of the public, including altered foods, pharmaceutical products, daily necessities, as well as illegal stockpiling, driving up prices of daily necessities, or public building materials, and take appropriate preventive actions.
- (IV) Conduct in-depth investigation on enterprises in financial distress, declining business, or bounced cheques of large amounts, and pass intelligence to field divisions for investigation.
- (V) Target serious economic crime problems, invite experts, academics, legal professionals, and competent authorities to host the “Conference on Prevention of Economic Crimes”, and confer on prevention policies to provide to related agencies for reference.
- (VI) Continue to update data files on related economic crimes to provide to law enforcement agencies in prevention and investigation, in order to enhance their work efficiency.

II. Investigation of economic crimes:

(I) Construct plans and actively investigate:

- A. Strengthen investigations on corporate corruptions, such as stock market crimes, financial crimes, embezzlement of corporate assets, illegal mergers and acquisitions, and illegal private fund-raising, in order to the public’s investment rights and maintain orders in financial

transactions.

- B. Strengthen the investigation of illegal wiretapping cases in order to protect the public's privacy.
- C. Strengthen the investigation of telephone scam and intimidation cases in order to protect the individuals' assets and ensure public security.
- D. Strengthen investigation on livelihood crimes, including altered foods, pharmaceutical products, daily necessities, usury, and violent debt collection.
- E. Strengthen investigation in smuggling of farm and aquatic products, tobacco, alcohol, and live animals.
- F. Strengthen the investigation of criminal cases, such as counterfeit money, credit cards, and financial cards to maintain transaction order within the market.
- G. Strengthen the investigation of cases of infringements on intellectual property rights to protect the rights of legal activities, and encourage innovation and invention.
- H. Strengthen investigative works in illegal absorption of funds, underground remittances, and underground futures trading, to safeguard the interests of the public and maintain order of the environment for economic activities.

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

Conduct comprehensive investigations of

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

(III) Synchronized investigation, effective deterrence:

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

(IV) Deepen investigation to eradicate illegal funds:

During investigation of major economic crime cases, pay special attention to the involvement of illegal funds, and upon the "Regulation Against Organized Crimes" and "Money Laundering Control Act", further investigate the main suspects and accomplice structure behind the scene in order to investigate the cases thoroughly, break the criminal chains, and destroy the sources of illegal incomes.

(V) Enrich professional knowledge and enhance skills:

- A. Actively participate in lectures or conferences, hosted by related authorities on finance, securities, insurance, taxation, and intellectual property rights in order

to absorb professional knowledge and enhance work skills.

- B. Continue to host the “MJIB Project of Three-Grade Licensure System of Financial Professional Courses”, and enhance the quality and professionalism of investigations.
- C. Fully utilize technical equipment, and strengthen the cooperation with other government agencies to strike down crimes with concerted force.

III. Tracking down fugitives:

- (I) Track the whereabouts of suspects, and if the suspects are found to abscond abroad, list them as fugitives immediately, and proceed with tracking.
- (II) Actively uncover the whereabouts of fugitives that abscond abroad, coordinate with law enforcement agencies and prosecutorial units in investigation, and collect necessary information to provide to the related agencies abroad for apprehending fugitives.
- (III) Strengthen cooperation with the “Apprehending Fugitive Economic Criminals Coordinating Task Force”; and coordinate the tasks according to respective responsibilities, in order to enhance the efficiency of tracking fugitives.
- (IV) Establish communication channels with law enforcement agencies in Mainland China, and other countries, as well as a

consensus on striking down crimes, and assist in the apprehension of fugitives.

IV. Broadening international cooperation:

- (I) Actively participate in international conferences, strengthen contact and intelligence exchanges with international organizations of similar capacities to jointly combat cross-border crime.
- (II) Based on the “Taiwan-U.S Judiciary Collaboration Agreement”, strengthen the establishment of bilateral judicial assistance with other countries, to strike down economic crimes.
- (III) Continue to host and participate in international training, and establish cooperative relationships with foreign organizations of similar capacities to facilitate exchanges of intelligence and investigation of crimes.
- (IV) Strengthen international exchange, including the provision of information regarding criminals, report pre-warning intelligence, investigating cross-border criminal cases, apprehending criminals, exchanging investigation skills, and mutual visitation of related personnel.

V. Jointly combating crimes across the strait

- (I) “Agreement on Joint Cross-Strait Crime-fighting and Mutual Judicial Assistance”

was signed on April 26, 2009, and came into effect on June 25. This agreement strengthens exchanges and cooperation between law enforcement authorities of both sides, and enhances joint cross-strait crime-fighting activities according to the plan of the Ministry of Justice.

- (II) Strengthening of current communication channels, criminal intelligence exchanges, investigations of criminal cases, seizing major criminals and fugitives, arranging visits for staffs of joint cross-strait crime-fighting in a case-based manner, and establish a complete and efficient joint cross-strait crime-fighting cooperative model.
- (III) Actively participate in academic symposiums on jointly combating crimes across the strait, and arrange mutual visitations, in order to establish a consensus and cooperative relationship.

Part Five

Chronicle



Chronology of major events of 2009

Date	Brief description
2009.01.06	Taipei City Field Office investigated the case of Luo X, president of Taiwan X Bank, suspected of violating the Securities & Exchange Act by engaging in false trading, in the amount of \$3,590,000,000.
2009.01.07	Taipei City Field Office investigated the case of Wu X et al. of Sheng X Co., Ltd. suspected of violating Trademark Act by selling counterfeit “Hsien X Shih”.
2009.01.08	Marine Affairs Field Office investigated the case of Chen X et al. of Da X Construction Co., Ltd. suspected of committing fraud, in the amount of \$99,470,000 and suspected of fund embezzlement of “Plan of Yacht Industry of Hsingda Port” invested by Development Fund of Executive Yuan, in the amount of \$150,000,000.
2009.01.15	Taipei City Field Office investigated the case of Hsieh X of Fu X Asset Management Co. suspected of violating the Futures Trading Law by selling illegal futures of foreign currency, in the amount of US\$144,489,457.
2009.01.15	According to Kinmen Agreement, the Bureau arrested drug criminal Yung X sent back from China.
2009.01.16	Taipei Mobile Station investigated the case of Chou X of Chung X Textile Co., Ltd. suspected of violating Breach of Trust by illegally prepaying \$ 291,930,000 and illegally loaning \$195,000,000 to Chi X Company.
2009.01.17	Taipei City Field Office investigated the case of Chen X et al. of Chung X Petroleum Corp. suspected of violating Breach of Trust by fraudulent lease contract and illegal expenditure, in the amount of \$1,261,030,000.

Date	Brief description
2009.01.21	Taipei City Field Office investigated the case of Chen X et al. of Kai X Financial Consulting Co. suspected of violating Securities Investment Trust and Consulting Act by illegally selling offshore funds, in the amount of \$1,529,350,000.
2009.02.09	Mr. Steve Lee, senior officer of police bureau of Toronto, Canada, visited the Bureau and exchanged opinions on issues such as arresting economic crimes fugitives.
2009.02.10 2009.02.13	Eighty-five MJIB officers attended the fourth session of the “Elementary-grade MJIB Financial Professional Courses”, hosted by the Securities and Futures Institute, upon the commission of the Bureau.
2009.02.10	Mr. Richard Schramm, Section Chief of Visa Service of Canadian Trade Office in Taipei, visited the Bureau and exchanged opinions on combating transnational crimes and fugitives.
2009.02.11	Taipei City Field Office investigated the case of Hsu X, the former employee of Guo X Securities suspected of fraud by fraudulent sale of fixed income bonds, in the amount of \$225,600,000.
2009.02.12	Central Taiwan Mobile Station investigated the case of Tzeng X et al. of Yao X Co., Ltd suspected of violating the Tax Collection Act by fraudulent increase of sales items, in the amount of \$990,000,000.
2009.02.19	Changhua County Field Station investigated the case of Yan X et al. of Jing X Technology Co., Ltd. suspected of violating the Securities & Exchange Act by strengthening financial statement with fraudulent invoices, in the amount of \$135,090,000.
2009.02.19	Central Taiwan Mobile Station investigated the case of Li X, the responsible person of Tan X IT Co. suspected of violating the Banking Act by collecting investment fund, in the amount of \$1,180,000,000.

Date	Brief description
2009.02.24 2009.02.27	Eighty-four MJIB officers attended the fifth session of the “Elementary-grade MJIB Financial Professional Courses”, hosted by the Securities and Futures Institute, upon the commission of the Bureau.
2009.02.26	Three MJIB officers attended the “Tips of Systematic Investment” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.02.27	Instigated Lin X couple, criminals suspected of Breach of Trust and who fled from Taiwan to the Hong Kong., to surrender himself to justice.
2009.03.02	Taoyuan County Field Station investigated the case of Chen X et al. suspected of violating the Banking Act by engaging in cross-strait underground remittance activities, in the amount of \$4,811,770,000.
2009.03.05	IWASE, Mitsuaki, Minister of Foreign Affairs and Intelligence Department of National Policy Agency of Japan, visited the Bureau and exchanged opinions on combating transnational crimes.
2009.03.05	Southern Taiwan Mobile Station investigated the case of Chen X et al. of Guan X Steel Co., Ltd. suspected of violating the Securities & Exchange Act by countering against resolution of the board of directors and investing in foreign countries, loss of \$ 223,510,000.
2009.03.06	Taipei Mobile Station investigated the case of Huang X of 689 website suspected of violating the Securities Investment Trust and Consulting Act by illegally analyzing stock quotes and acquiring profits from its members, in the amount of \$3,100,000.
2009.03.06	Taipei City Field Office investigated the case of Chang X of Stock Prepay Center and Stock Market 888 suspected of violating the Securities & Exchange Act by illegally running business of securities brokerage, in the dollar amount more than \$ 100,000,000.

Date	Brief description
2009.03.10	Mr. Scott David, Senior Director of Asia Pacific headquarters of Pfizer, visited the Bureau and appreciated the investigation of counterfeit medicines of Viagra and protection of intellectual property rights.
2009.03.10	Taipei City Field Office investigated the case of Tzeng X, responsible person of A.C. (Hong Kong) suspected of violating the Securities Investment Trust and Consulting Act by illegally selling offshore funds, in the amount of \$151,520,000.
2009.03.11	Taipei City Field Office investigated the case of Huang X of Jiu X Asset Management Co. suspected of violating Securities Investment Trust and Consulting Act by illegally selling offshore funds, in the amount of \$105,790,000.
2009.03.12	Marine Affairs Field Office investigated the case of Huang X, the responsible person of Chung X Insurance Agency, suspected of committing fraud by collecting funds upon high interests in overseas banks, in the amount of \$221,470,000.
2009.03.12	Southern Taiwan Mobile Station investigated the case of Li X et al. of Yong X Insurance Agency suspected of committing fraud by selling insurance products with illicit means of high interests, in the amount of \$61,950,000.
2009.03.19	Taipei County Field Station arrested and investigated Lin X, Hsu X and Chen X et al. in group of telephone scam and intimidation as active criminals suspected of committing fraud by counterfeiting court prosecutors and judicial police to defraud \$ 6,700,000 from Hsieh X.
2009.03.26	Instigated wanted criminal Chen X suspected of violating the Securities & Exchange Act to surrender himself to justice from China and passing through Hong Kong.

Date	Brief description
2009.03.31	Taichung City Field Station investigated the case of Chen X of Bao X Management Commission of Social Welfare Business suspected of committing embezzlement by embezzling sales of land, in the amount of \$67,000,000.
2009.03.22 2009.03.27	Investigator Fu-sheng He of MJIB attended the “6th International Meeting on Asian Organized Crime and Terrorism”, held at the Sheraton Hotel in Hawaii, US.
2009.03.23	Four MJIB officers attended the “Professional English Reading” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.04.01	Eastern Taiwan Mobile Station investigated the case of Lin X, Kao X et al. suspected of committing loan fraud from Farmers’ Association in Jui o Township, Hualien County by fraudulent contract, in the amount of \$132,000,000.
2009.04.01	Kaohsiung City Field Station investigated the case of Li X et al. of De X Co., Ltd. suspected of violating Business Entity Accounting Law by fraudulent invoices, in the amount of \$3,846,480,000.
2009.04.01	Mr. Rippon Matt, Hong Kong Contactor of Federal Police of Australia, visited the Bureau and exchanged opinions on combating transnational crimes.
2009.04.06	Central Taiwan Mobile Station investigated the case of Tsou X et al. of Da X Investment Co. suspected of violating the Banking Act by fraud of \$550,000,000 in stock investment.
2009.04.08	Tainan City Field Station investigated doctors Lin X et al. in Tai X Hospital suspected of committing insurance fraud by fraudulent diagnosis, in the amount of \$8,570,000.

Date	Brief description
2009.04.09	Taipei City Field Office investigated the case of Hsu X et al. of Wen X Co., Ltd. suspected of fraud in the amount of \$105,740,000 by fraudulent documents and checks with insufficient funds.
2009.04.10	Mr. Richard H. Adams, Deputy Director of Visa Service of AIT, visited the Bureau and exchanged opinions on arresting economic crimes fugitives.
2009.04.10	Yunlin County Field Station investigated the case of Wang X, the actual responsible person of Wa X Pesticide Co. suspected of violating Pesticide Management Act by selling 37 kinds of false pesticide such as “Ko Hsin” and “Hsiu Pao”.
2009.04.13	Extradited fraud criminal Wu X back to Taiwan.
2009.04.14	Taipei City Field Office investigated Tsai X, the former associate manager, Hsinchu Lin X Branch of Yuan X Bank suspected of committing embezzlement of \$ 72,930,000 in Chung XX Family.
2009.04.21	Yunlin County Field Station investigated the case of Wu X et al., the convener of Wan X Paper Co., suspected of Breach of Trust by cleaning out assets, loss of \$471,410,000, of the company through buying wasted paper at low price and selling it at high price and illegally over-paying freight and rental of factory.
2009.04.22	Taipei County Field Station investigated the case of Dai X et al. suspected of violating the Banking Act by engaging in cross-strait underground remittance activities, in the amount of \$5,616,090,000.
2009.04.23	Hosted the “114th Inter-agency Meeting on Prevention of Economic Crimes.”
2009.04.23	Taichung City Field Station investigated Huang X of Fu X Co., Ltd. suspected of violating the Banking Act by engaging in fraud of \$154,450,000 from members of “Tzu X private loan association”.

Date	Brief description
2009.04.23	Taichung City Field Station investigated the case of Tzeng X et al. of Cheng X Co., Ltd. suspected of violating the Banking Act by engaging in fraud of \$157,340,000 from members of “Chien X private loan association”.
2009.04.26	Mr. Li, the Section Chief of Prevention of Economic Crime participated in delegation negotiating with Straits Exchange Foundation, participated in the third meeting between Straits Exchange Foundation and Association for Relations Across the Taiwan Strait and signed “Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement”.
2009.04.27	Taipei City Field Office investigated the case of Hsu X, the responsible person of Li X Co., Ltd., suspected of violating the Insurance Law by illegally selling offshore policy, in the amount of \$280,000,000.
2009.04.28	Securities and Futures Bureau, Financial Supervisory Commission held the lecture of “Different between Accounting Principle in Taiwan and International Accounting Criteria”. Five officers of the Bureau attended the lecture.
2009.04.29	Chiayi City Field Station investigated the case of Lin X, the responsible person of Yu X Property, suspected of fraud to Shih X et al., in the amount of \$94,940,000 by investment of foreclosed houses.
2009.05.07	Taipei City Field Office investigated the case of Guan X of De X Co., Ltd. suspected of fraud on prepay of \$10,000,000 to Chen X company by selling solar energy materials.
2009.05.13	Taipei City Field Office investigated the case of Liao X et al. of Hua X Co., Ltd. suspected of counterfeit of currency and negotiable securities which caused loss of \$56,540,000 of Taiwan X Co., Ltd. by counterfeiting certificate of deposit and mortgage letter in response as guarantees for delayed payment of goods.

Date	Brief description
2009.05.15	Chen X, former president of Jin X Securities, et al. suspected of violating the Securities & Exchange Act by illegally operating RS which caused the loss of \$999,930,000 of bad debt of interest receivables and falling price of bonds.
2009.05.17 2009.05.22	Mr. Chung-long Pan, the Section Chief of Prevention of Economic Crime, introduced business of this Office to sixteen senior officers from Vietnam, Cambodia, Laos, Thailand, Malaysia and the Philippines in “seminar of transnational crime investigation in Southeast Asia”.
2009.05.18	Yunlin County Field Station investigated the case of Li X et al. suspected of Food Health Management Act by illegally producing and selling dry radishes with formaldehyde and detained 127,392 kg.
2009.05.20	Taipei City Field Office investigated the case of Lu X, actual responsible person of Shang Fu X Co., suspected of violating the Securities & Exchange Act by illegally manipulating stock prices of Hang X Electronics Company and making profits of \$56,910,000.
2009.05.20	Taipei City Field Office investigated the case of Chen X et al. suspected of violating the Futures Trading Law by illegally operating underground futures, in the amount of \$315,160,000.
2009.05.22	Nantou County Field Station investigated Yang X, treasurer of Taiwan X Co., Ltd. suspected of embezzlement of \$81,900,000 by receiving cash and checks of goods payment of the company.
2009.05.26	Securities and Futures Bureau, Financial Supervisory Commission held lecture of “Risk Management Practice of Securities Firms”. Two officers of the Bureau attended the lecture.
2009.05.26	According to Kinmen Agreement, the Bureau arrested Yueh XX, criminal violating the Tax Collection Act, extradited him from China.

Date	Brief description
2009.06.01 2009.06.05	Two MJIB officers attended the “2009 Mid-year Financial Examiner Professional Training”, hosted by the Financial Examination Bureau, Financial Supervisory Commission.
2009.06.04	Penghu County Field Station investigated the case of Yung XX, owner of fishing boat “Lian X Mao” suspected of fraud of \$112,300,000 by illegally selling oil of fishing boat.
2009.06.05	Two MJIB officers attended the “description of draft of No.3 evaluation criteria public report” held by the Accounting Research and Development Foundation.
2009.06.05	Taipei City Field Office investigated the case of Huang X, president of Chiao X Co., Ltd., suspected of violating Securities Investment Trust and Consulting Act by illegally selling offshore funds, in the amount of 1,135,030,000.
2009.06.08 2009.06.11	Eighty MJIB officers attended the first session of the “Intermediate-grade MJIB Financial Professional Courses (II)” held by the Section of Prevention of Economic Crimes.
2009.06.08 2009.06.12	Five MJIB officers attended the “44th Seminar on Legal Affairs and cases of Securities and Futures Markets”, hosted by the Securities and Future Institute. Securities and Futures Institute.
2009.06.09	Taipei Mobile Station investigated the case of Hsu X, former president of Hua X Securities suspected of violating the Securities & Exchange Act by illegally selling stock of Yi X Co. and acquiring profits of \$746,040,000.
2009.06.10	Miaoli County Field Station investigated the case of You X et al. of Hsu X Financial Co. suspected of violating the Banking Act by illegally operating futures service business and receiving \$131,330,000 with interest of 3% guaranteed.

Date	Brief description
2009.06.15 2009.06.18	Seventy-seven MJIB officers attended the second session of the “Intermediate-grade MJIB Financial Professional Courses (II)”, held by the Section of Prevention of Economic Crime.
2009.06.16	Changhua County Field Station investigated the case of Tsai X et al. of Hsih X Hospital suspected of insurance fraud of \$103,120,000 by fraudulent case reports.
2009.06.18	Taichung County Field Station investigated the case of Dai X, responsible person of Tian X Co., Ltd., suspected of trademark fraud of food made in Japan and selling the products at high prices by infringement of products of other companies. Taichung County Field Station detained adulterated foods of 48,100 capsules.
2009.06.22 2009.06.25	Eighty-two MJIB officers attended the third session of the “Intermediate-grade MJIB Financial Professional Courses (II)”, held by the Section of Prevention of Economic Crime.
2009.06.25	Held the 74th meeting on “Coordinating Team for the Capture and Arrest of Escaped Overseas Economic Criminals.”
2009.06.26	Six MJIB officers attended the “Updates on the International Securities Market and Professional English Reading” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.06.26	Southern Taiwan Mobile Station investigated the case of Chang X manipulating stock price of Ko X company suspected of violating the Securities & Exchange Act and illegally making profits of \$367,580,000.
2009.06.29	Taipei City Field Office investigated the case of Chou X engaging in cross-strait underground remittance activities suspected of violating the Banking Act, in the amount of \$2,663,660,000.

Date	Brief description
2009.06.30	Taipei Mobile Station investigated the case of Yeh X, the responsible person of Ya X Co., Ltd. et al. suspected of diverting funds of \$47,250,000, violating the Securities & Exchange Act and regulation that funds of company could not be loaned to shareholders or others.
2009.06.30	Kaohsiung City Field Station investigated the case of Chen X et al. of Duo X Group suspected by violating the Banking Act and fraud of \$158,900,000 by Jie X Li Co., Ltd. investing in facilities and operation of sandstone field in Laoag of the Philippines.
2009.07.06	Taipei City Field Office investigated the case of Lyu X, the responsible person of Yuan X Futures and Securities, suspected of violating the Futures Trading Law by illegally operating futures business and receiving \$277,000,000.
2009.07.15	Mr. Louis Garthe, Deputy Representative of ICE Hong Kong Office of the U.S. Department of Homeland Security, visited the Bureau and exchanged opinions on arresting fugitives.
2009.07.21	Taipei Mobile Station investigated the case of Chen X et al. suspected of engaging in investment fraud of \$333,560,000 in masterpieces and wood sculpture of well-known artists Chao Wu Chi and Ju Ming.
2009.07.21	Miaoli County Field Station investigated the case of Lin X et al. suspected of engaging in fraud of \$184,780,000 on Li X by promising to pay high interests with great amount of inheritance.
2009.07.21	Two MJIB officers attended the “description of draft of No.4 Evaluation Criteria Public Report” hosted by the Accounting Research and Development Foundation.
2009.07.23	Four MJIB officers attended the “Financial Control and Risk Management Practice of Securities Firms” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.

Date	Brief description
2009.08.03 2009.08.14	Directorate General of Customs held the “Seminar of smuggling great amount of money” and officers of U.S. Immigration and Customs Enforcement lectured about monitoring and investigating Money Laundering. Eleven Officers of the Bureau attended the seminar. .
2009.08.05	Taichung City Field Station investigated the case of He X of Fang X Co., Ltd. suspected of fraud of \$132,510,000 by counterfeit checks.
2009.08.06	Yilan County Field Station investigated the case of Chang X et al. of Tian X Co., Ltd., suspected of violating the Banking Act by the reason of expanding business, in the amount of \$146,790,000.
2009.08.17	Taipei City Field Office investigated the case of Su X and daughter of Yin X Co., Ltd. suspected of fraud by counterfeit checks of \$222,040,000.
2009.08.19	Nguyen Huy Ngat, Director General of International Cooperation Office, Department of Justice of Vietnam led a delegation to visit the Bureau.
2009.08.20 2009.08.21	Six MJIB officers attended the “2009 international seminar of detaining and forfeiting illegal incomes” hosted by the Ministry of Justice.
2009.08.20	Taipei City Field Office investigated the case of Chang X, the former rally person Chung X Electronics Co., Ltd., suspected of Breach of Trust which caused loss of \$320,640,000 of the company.
2009.08.20	Mrs. Limda M. Hornilla, Deputy Minister of the Justice Department of the Philippines, led the delegation to visit the Bureau.
2009.08.21	Department of Justice held 2009 justice education training. Two officers of the Bureau attended the training.

Date	Brief description
2009.08.22	Arrested drug criminal Hsieh X from Bolivia back to Taiwan.
2009.08.25	Taipei City Field Office investigated the case of Shih X, the former president of Guang X Co., Ltd. suspected of embezzlement of company fund \$94,050,000.
2009.08.25	Mr. Kevin Fische, Direct General of Asia Pacific of Security Department, Barclays visited the Bureau and exchanged opinions on prevention of economic criminals.
2009.08.26	Taipei City Field Office investigated the case of Huang X, financial personnel of Songshan Branch of He X Bank suspected of embezzlement of clients' fund f US\$1,267,791 by the reason of tax of American citizens' investment of foreign currency.
2009.08.27	Three MJIB officers attended the "Trend of Social Responsibility of International Enterprises" seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.08.27	Hosted the "115th Inter-agency Meeting on Prevention of Economic Crimes."
2009.08.27	Kaohsiung City Field Station investigated the case of Hu X et al. suspected of fraud by forming telephone scam and intimidation group in China.
2009.08.29 2009.09.06	Mr. Chi-ping Chang, the Deputy Director General of the Bureau, led the delegation to attend "The 27th Cambridge International Symposium on Economic Crime in Britain, visited Mr. David Armond, deputy director of Serious Organized Crime Agency, and accomplished common consensus on combating transnational crimes and arresting fugitives.

Date	Brief description
2009.08.31	Two MJIB officers attended the “Research Project of Market Share of Counterfeit Medicine” forum hosted by the Taiwan Medical Products Anti-Counterfeiting Taskforce.
2009.09.01	Taipei City Field Office investigated the case of Chang X, the former president of Shi X Bio-energy Co., Ltd. suspect of fraud of \$756,370,000 by PFR manufacturing patent of counterfeit Biodiesel.
2009.09.01	Kaohsiung County Field Station investigated the case of Chang X couple suspected of embezzlement by receiving \$924,000,000, the first prize of supper lotto, purchased for their friend Tu XX.
2009.09.03 2009.09.04	Two MJIB officers attended the “3rd conference of smuggling of tobacco and current market in Taiwan” hosted by the Tobacco Institute of The Republic of China.
2009.09.10	Mr. C. P. Chang, Hawaii officer of U.S. Secret Service, visited the Bureau and exchanged opinions on economic crimes and Money Laundering.
2009.09.14 2009.09.25	Mr. Ming-hsiung Chen, the Section Chief of Prevention of Economic Crime, in “seminar of prevention of transnational crimes of Thailand”, lectured the hunting down overseas fugitives to twelve senior officers of Special Investigation Bureau of Justice Department from Thailand.
2009.09.15	Hsinchu County Field Station investigated the case of Chen X suspected of violating the Banking Act. And engaging in fraud of \$320,000,000 in the name of Chao X asset management company.
2009.09.18	Kaohsiung City Field Station investigated Lu X suspected of violating the Securities Investment Trust and Consulting Act by illegally collecting and selling offshore funds in Taiwan.

Date	Brief description
2009.09.22	Research, Development and Evaluation Commission of Executive Yuan held “2009GP Camp-Seminar of governmental publication management” One officer of this Office attended the seminar.
2009.09.22	Taichung County Field Station investigated the case of Chiou X of Hui X Technology Co., Ltd. suspected of fraud of \$137,500,000 by planning listing company.
2009.09.24	Three MJIB officers attended the “Information Security and Cyber Crimes” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.10.02	Two MJIB officers attended the meeting on the review of “Article 155 of the Securities & Exchange Act” hosted by the Financial Supervisory Commission.
2009.10. 06	Extradited fraud criminal Hu X from the U.S.
2009.10.07	Tainan County Field Station investigated the case of Li X et al. of Song X Clinic suspected of committing fraud from Bureau of National Health Insurance by fraudulent case reports, in the amount of \$6,690,000.
2009.10.08	Six MJIB officers attended the “New Trend of Global ETF Development” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.10.08	One MJIB officer attended the “Counterfeit Investigation Training” meeting hosted by Taiwan Intellectual Property Office.
2009.10.15 2009.10.16	Human Rights Plan held by Ministry of Justice— Seed Training Camp of “International Covenant on Civil and Political Rights” and “International Covenant on Economic, Social and Cultural Rights”. Four officers of the Bureau attended the training.

Date	Brief description
2009.10.16	Financial Supervisory Commission held conference of “Article 155 of the Securities & Exchange Act” and two officers of the Office attended the conference. .
2009.10.16	Mr. R. J. TAYLOR, Director of Central Bureau of Pretoria, International Police Organization of South Africa, visited the Bureau and exchanged opinions on arresting fugitives.
2009.10.18 2009.10.24	Mr. Li, the Section Chief of Prevention of Economic Crime, participated in justice delegation of Straits Exchange Foundation and attended conference regarding the following affairs after effectiveness of “Cross-Strait Joint Crime-Fighting and Judicial Mutual Assistance Agreement” with Taiwan Affairs Office of the State Council, department of public Safety, Supreme People’s Procuratorate, Supreme Court and Justice Department in China. Mr. Li also visited Hangzhou, public safety, procurator, court and justice department
2009.10.20	Four MJIB officers attended the “Personal Tax and Financial Planning” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.10.21	Four MJIB officers attended the “description of draft of No.5 Evaluation Criteria Public Report” hosted by the Accounting Research and Development Foundation.
2009.10.25 2009.11.01	Deputy Director Chi-ping Chang of MJIB led a delegation to Malaysia, Thailand and Vietnam, visited Securities Commission of Malaysia, Royal Malaysia Police, Anti-Money Laundering Office of Department of Justice of Thailand and exchanged opinions issues such as international cooperation, prevention of transnational crimes and hunting down criminals.
2009.10.27	One hundred and ninety one MJIB officers attended the “seminar of reinforcement of investigation on telephone scam and intimidation” hosted by the Section of Prevention of Economic Crime, MJIB.

Date	Brief description
2009.10.27	Eleven MJIB officers attended the “Management Practice Study and Training of Regulation on Medical Affairs of Health Institutions” hosted by Department of Health in northern and central districts.
2009.10.28 2009.10.30	Ten MJIB officers attended the “8th Seminar of Prevention of Insurance Crimes” hosted by the Insurance Bureau, Financial Supervisory Commission.
2009.11.10	Extradited drug criminal Lin X from Thailand.
2009.11.23 2009.11.27	Five MJIB officers attended the “46th Seminar on Legal Affairs and cases of Securities and Futures Markets” hosted by the Securities and Future Institute.
2009.11.24	Eight MJIB officers attended the “Report on Trend of Real Estate in Taiwan” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.11.26	One MJIB officer attended the “Seminar of International Covenant on Civil and Political Rights, International Covenant on Economic, Social and Cultural Rights and Implementation” hosted by the Civil Service Development Institute.
2009.12.02	Five MJIB officers attended the “2009 Conference of Smuggling Information of Taiwan and U.S.” hosted by the Directorate General of Customs.
2009.12.03	Section of Prevention of Economic Crime held the 75th meeting on “Coordinating Team for the Capture and Arrest of Escaped Overseas Economic Criminals”.
2009.12.10 2009.12.11	Two MJIB officers attended the “19th Credit Card Business and Justice Conference” hosted by the Taiwan Academy of Banking and Finance.

Date	Brief description
2009.12.17 2009.12.18	Two MJIB officers attended the “20th Credit Card Business and Justice Conference” hosted by the Taiwan Academy of Banking and Finance.
2009.12.21	Two MJIB officers attended the “Professional English Reading” seminar hosted by the Securities and Futures Bureau, Financial Supervisory Commission.
2009.12.21 2009.12.25	Two MJIB officers attended the “2009 Year-end Financial Examiner Professional Training” hosted by the Financial Supervisory Commission and the MJIB.
2009.12.24	Hosted the “116th Inter-agency Meeting on Prevention of Economic Crimes.”