



# Supreme Prosecutors Office

## News Release

**Release Date: February 2, 2012**

**Released by: Special Investigation Division**

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In the case of alleged dereliction of duty by Director Cai De-shen of the National Security Bureau (“NSB”), the Special Investigation Division of the Supreme Prosecutors Office has concluded its investigations and has found no substantive evidence of the alleged illegalities. The investigations were officially concluded on February 1, 2012, and the gist of the investigation report is as follows:

1. The original letter of complaint had alleged: In Volume 24, Issue 47 of the Asia Weekly published in Hong Kong in 2010, it was mentioned that: (1) The primary duties of Major General Zhang were to arrange for NSB Director Cai De-shen’s frequent overseas “interview visits” and to accompany the Director. In 2010 alone there were as many as ten such visits. Their overseas visits were classified as “special projects”, entitling them to first class flights, five star hotels, and leisure activities including golf on official account, but they still collected a 40% travel allowance (under regulations, where meals and accommodation are covered by official account or hospitality from other parties, the traveller is only entitled to a 10% travel allowance). (2) Household expenses of Director Cai in Taiwan are also paid by the official account, arranged by his chief of staff Xu Bing-chu, and his official car is sometimes used by his wife. These constitute personal uses of official facilities. (3) On December 9, 2010, the NSB had organized an expensive chartered banquet dinner for dozens of people to receive the President, Vice-President and Secretary-General of the Examination Yuan, the Minister of Examination and the Minister of Civil Service, as well as high-value gifts of hibiscus teapots worth several thousand dollars; such pomp and extravagance are amazing to all. (4) Director Cai De-shen went on a tour of Israel and other places on December 22 to 26, 2010 on the pretext of attending meetings, where he wine, dined and played to his heart’s content at public cost. Even if such a trip were necessary, it should have been sufficient to take only officials of the relevant levels along for the meetings; was it necessary for the director, the deputy director and department heads to all go together? The defendant, NSB director Cai De-shen, was therefore accused of the offense of dereliction of duties.

2. Regarding facts (1) and (4) in the complaint:

- (1) Regarding the necessity of the NSB director’s overseas visits:

Investigations show that where the NSB director intends to leave the country to carry out official duties, he must first prepare a proposal for approval by the National Security Meeting and the President; upon his return, he must also produce written reports of the meeting contents and results. This corroborates with the testimonies of witnesses

including the Chief Accountant of the Accounting Office of the NSB. Further, since the NSB is part of the National Security Meeting, official visits by the director of the NSB would require the approvals of the National Security Meeting and the President; it would be impossible for the director to take a delegation on visits to use up official budgets without authorization. It is also found that the original vouchers and other documents submitted for reimbursement of travel expenses had been clearly annotated with the project title, substantive travel schedule, invitations from the overseas institution and purpose of the visits by the NSB director; one can therefore determine that the aforementioned 9 overseas trips during year 2010 by Director Cai De-shen were necessary for carrying out various statutory duties. Therefore, one cannot accuse him of “travelling overseas on the pretext of meetings, and wined, dined and played to his heart’s content at public cost”.

- (2) Regarding the director’s travel expenses (including transportation costs and living allowance) for overseas trips:
- a. On the question of the standard of transportation taken by officials on business trips, pursuant to Point 5, Paragraph 1 of the Executive Yuan’s “Important Matters Governing Reimbursement of Overseas Travel Allowances”, there is no doubt that the director of NSB is entitled to travel by first class flights when travelling overseas.
  - b. During Year 2010 Director Cai De-shen of the NSB travelled 9 times overseas, totalling 67 days, and on each occasion had collected a 40% living allowance. With the exception of May 30, 2010, on no other day did he use public funds to pay for two meals of the day. It is found that NSB Director Cai De-shen had not attended any work-related meal meetings on May 30, 2010, so clearly there was no use of public funds to pay for more than two meals on that day. His collection of a 40% living allowance was also not inconsistent with the “Important Matters Governing Reimbursement of Overseas Travel Allowances”, and therefore he had not committed any fraud in the collection of overseas travel expenses.
  - c. Golfing is a common social activity in international exchanges. In any case, the number of days/occasions of golfing by NSB director Cai De-shen constituted only 4.5% of the number of overseas travel days in that year. There is no substance in the complainant’s allegation that golfing is a waste of public funds.
  - d. Of the hotels taken by Director Cai De-shen in the 25 days of overseas travel in 2010, on the SOFITEL LUXURY HOTEL in Belgium was a 5-star hotel, while the remaining were all 3 to 4.5 stars. Pursuant to the aforementioned regulations applicable to government representatives attending international meetings, that were effective at the time of the trips, accommodation expenses can be reimbursed

in full upon presentation of evidence. One can therefore see that Director Cai did not always stay in 5-star hotels whenever he travelled overseas on official visits, and there is no evidence supporting the unilateral conjectures of the complainant.

3. Regarding fact (2) of the complaint:

(1) Regarding payment of household expenses of NSB Director Cai De-shen by the official account

It is clearly stated in Point 7, Paragraph 2 of the Important Matters Governing Management of Central Authority Head Living Quarters and NSB Living Quarters Loan Management Regulations that the water, electricity, gas, public management and living quarters management expenses for living quarters borrowed by the authority head and deputy head will be paid for by the borrowing authority. It is found that the repairs in respect of NSB Director Cai De-shen's living quarters in 2010 were carried out, inspected and accepted in accordance with relevant regulations, with the costs paid for by the NSB; these facts are not inconsistent with the aforementioned Authority Head Living Quarters Management Regulations. Therefore, one cannot accuse him of having "used public funds for household expenses in Taiwan". Director Cai De-shen's expenditures from the special fund were also not found to be for private or family uses.

(2) Regarding use of the NSB director official car by his wife

a. When questioned, both chauffeurs Feng Guo-X and Chen Zhi-X for the NSB director testified that: "No person other than the director makes solitary use of the director's car". Further, it is considered proper social manners for the director's wife to accompany the director on certain gatherings related to his official duties; therefore, her travelling in the official car for such reasons cannot be considered personal use. One does not find any increase in the mileage of the official car while the director travels on overseas trips, which is evidence that the official car has not been privately used by his wife or other members of the family.

4. Regarding fact (3) of the complaint:

With regards to the visit to NSB by President of the Examination Yuan and other relevant personnel on December 9, 2010, the purpose of said visit was to promote a special project on review of the organizational structure of the NSB, and was intended to establish an amicable relationship between the parties, promote the Examination Yuan's understanding of the special characteristics of the intelligence and secret service aspects of the NSB work. The visit included briefings, discussions and the reception. Therefore, the reception and the gift of souvenirs on that day were necessary for the nature of the work, and had been duly accounted for in accordance with the relevant accounting procedures. There was no criminal illegality involved.