



# Supreme Prosecutors Office

## News Release

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During the debates for the 13<sup>th</sup> term presidential and vice-presidential elections, a number of political figures had repeatedly accused President Ma Ying-jeou of having received NT\$15 million in political donations during his term as mayor of Taipei City in return for benefits to certain financial groups. The Special Investigation Division of this Office has now concluded investigation of such allegations, and has found no substantive evidence to support such allegations. The main points to the conclusion of investigation are as follows:

1. Prosecutor General Huang of this Office had immediately assigned the case when he saw the letter contributed by a reader to Liberty Times, which was published on Section A15 of Liberty Times on September 27, 2012. Said letter had claimed to the effect that: The defendant Cai Ming-Zhong was called to give evidence in a hearing by the Taipei District Court at 2:30PM on August 25, 2010, and he testified that he had donated NT\$15 million to the KMT during the period of the 2008 presidential elections; the defense counsel for the defendant in that case had found upon investigation that neither Ma Ying-jeou nor the KMT had declared said political donation income. Subsequently in September 2011, it was discovered that employees of Taiwan Sports Lottery Co., Ltd. (“TSL”) of the Fubon Group had illegally cast private bets in sports lotteries to the effect of “cheating by the bet-maker”. As Ma Ying-jeou had accepted the Fubon Group’s hospitality at a “shark fin banquet” during his term as Taipei City mayor, and had received \$15 million in political donations during the period of the presidential elections, Ma had requested the competent authority for the sports lottery – that is the Sports Affairs Council of the Executive Yuan (“SAC”) to shield the issuing institution, that is Taipei Fubon Commercial Bank Co., Ltd. (“Fubon Bank”), by imposing only a light fine. Ma was therefore suspected of shielding the Fubon Group, and was accused of violating Article 4, Paragraph 1, Subparagraph 5 of the Anti-Corruption Act regarding acceptance of bribes for an act contrary to official duties, and the defendant Cai Ming-Zhong was accused of the offense of bribery under Article 11, Paragraph 1 of the Anti-Corruption Act.
2. However, it was found that:
  - (1) After summoning Cai Ming-Zhong, Cai had testified in court that during the 2004 presidential elections, he had donated \$10 million as political donations to the KMT in his own name through Wang Jin-pyng, then leader of the Legislative Yuan. Wang Jin-pyng had later given him a receipt as evidence for the donation. The KMT presidential candidate at the time had been Mr. Lien Chan, and Cai had not donated a further \$15 million to KMT during the 2008 presidential elections. When he was questioned by the

defense counsel during his court hearing, Cai had not noticed that the defense counsel had been referring to Year 2008, and had accidentally remembered the actual time and amount of the donation wrongly. That was why had had testified that he had donated \$15 million to the KMT in 2008. Later when his friend informed him of seeing an online report about the defense counsel's query about this issue, he had found the receipt for the donation at the time and realized that his testimony had been erroneous. He had immediately submitted an application to the court to correct his testimony. Witness Cai Wan-Cai had also testified in court that Cai Ming-Zhong had donated \$10 million to the KMT through the election campaign manager, Wang Jin-pyng, and had later give him the receipt for safekeeping. When Ma was running for president in 2008, he had asked Cai Ming-Zhong to inquire whether Ma needed any assistance, but Ma had said no; so neither he nor Cai Ming-Zhong had given any donations. As for Cai Ming-Zhong's earlier claim to the Taipei District Court that he had donated \$15 million to KMT through leader of the Legislative Yuan, Wang Jin-pyng in 2008, and that he had a receipt for it, it would seem that Cai Ming-Zhong had got both the year and the amount wrong. This collaborates with this Office's study of the interview given by Legislative Yuan leader Wan Jin-pyng to Radio Taiwan International on December 19, 2011, in which Wang had indicated that he had received \$10 million in political donations from Fubon Financial Holding during the "Lien-Song" election campaign in 2004, and that he had the receipt to prove it. This shows that the credibility of the testimony given by Cai Ming-Zhong to the Taipei District Court – that he had donated \$15 million to the KMT in 2008 – is not beyond doubt.

- (2) After writing to the Control Yuan for detailed information about donation income to the designated political donations accounts of the "12<sup>th</sup> presidential and vice-presidential candidates Ma Ying-jeou and Vincent Siew" and the KMT in 2008, there was no record of KMT having received \$15 million in political donations from Cai Ming-Zhong in 2008. After writing to the KMT, the KMT has also confirmed that it had duly received the \$10 million donated by Cai Ming-Zhong that was raised by Wang Jin-pyng in February 2004, and a receipt had been issued. This supported Cai Ming-Zhong's later statement to this Office that when he was testifying to the Taipei District Court, he had mistakenly remembered the time of donation and had given erroneous testimony. Therefore, one may accept as credible his account that in actual fact he had donated \$10 million in political donations to the KMT back in 2004.
- (3) Witnesses Ho Jin-Liang (head of the General Project Department for the competent authority SAC's sports lottery affairs) and SAC personnel Shi-Cheng had both testified in court that the SAC had imposed a fine of \$150,000 against Fubon Bank for the sports lottery fraud, on the basis of said Department's recommendations, which were discussed internally by the SAC, proposed by a cross-departmental panel comprising of members from various departments, and finally submitted to the supervisor for approval. The fine of \$150,000 was the highest administrative fine stipulated under the prevailing Sports

Lottery Issue Act (“the Act”). The cross-departmental panel had later discovered that said employee had made the improper gain through a loophole in the operation procedure. The panel had considered that the procedure should have been more cautious, and taken into account the fact that stop of the issue would affect the livelihood of sports lottery distributors; for these reasons the panel had accepted this sanction proposal. There had been no superior instructions for letting TSL off lightly or protecting TSL. This shows that SAC’s fine of \$150,000 against Fubon Bank had been a decision made by the competent authority based on its statutory discretion and powers, following due internal discussions and approval by said cross-departmental panel. It had not contravened the relevant provisions of the Act, and one cannot find that SAC had sought to shield or protect the offenders due to superior or high level pressure.

- (4) With regards to the Fubon Group having entertained Ma Ying-jeou, then mayor of Taipei City, at a “shark fin banquet”, the matter had been investigated by prosecutors of the Taipei District Prosecutors Office and prosecutors of the Special Investigation Division; on both occasions the prosecutors had concluded the investigations with a finding that the allegations were unfounded. Further, non-indictment decisions had already been issued by the prosecutor of the Taipei District Prosecutors Office in respect of the chief of the Taipei City Government Department of Finance, Lee Shu-Te and 4 others. In any event, the said dinner was more than 7 or 8 years before occurrence of the sports lottery fraud in this case, and one can hardly see any connection or any illegal consideration relationship between the two.
3. Based on the above, since there is no evidence that the defendant Ma Ying-jeou had ever received \$15 million in political donations from the defendant Cai Ming-Zhong during the 2008 presidential elections, nor is there any evidence that SAC, the competent authority for the sports lottery, had illegally shielded the Fubon Group and let it off lightly due to instructions from its superiors, as there is no other positive evidence sufficient to prove that the defendants had violated the Anti-Corruption Act in any way, one cannot make a finding of criminal facts against the defendants. The matter is therefore concluded accordingly.