



**Press Release of Supreme Prosecutors Office**

**Date of Issuance: July 1<sup>st</sup>, 2016**

**Agency of Issuance: Special Investigation Division**

---

**The Special Investigation Division (SID) of Supreme Prosecutors Office files its motion on July 1<sup>st</sup> with Taipei District Court for the independent confiscation of the illegal proceeds in Lafayette Frigate Corruption Case at the approximate amount of US\$969 million.**

## **1. Backgrounds**

In 2000, the Special Investigation Unit was set up to probe into the Lafayette Frigate procurement case. The process of mutual legal assistance with Switzerland regarding this case started in 2001, which consequently brought into light the fact that defendant Chuan-pu WANG and Li-heng KUO both received huge amount of illegal kickbacks from the French parties in the Lafayette Frigate procurement case, and both laundered the proceeds of crime abroad.

## **2. Prosecution and Freezing Assets**

With the comprehensive analysis on the documents obtained via MLA channel, the amount of illegal kickbacks was identified and the track traced. It was also found that from September 14<sup>th</sup> 1991 to 9<sup>th</sup> September 1998, all the defendants, namely Chuan-pu WANG, Shiu-jun YEH, Chia-hsing WANG, Chia-yung WANG, Chia-ming WANG, Chun-ling WANG and Li-heng KUO, had received the illegal kickbacks totaled as about US\$520 million. In September 2006, the prosecution against the defendants mentioned above was filed for their joint commission of offenses in violation of the Anti-Corruption Statute.

Meanwhile, plenty of MLA requests for tracking the financial flows were also filed with Switzerland, Liechtenstein, Austria, Luxembourg, Jersey and Isle of Man, where the illegal proceeds were laundered. Sixty-one accounts were frozen under the MLA requests, with the balance therein totaled as about US\$820 million.

### **3. Conviction and Judgement**

Defendants Chuan-pu WANG, Shiu-jun YEH, Chia-hsing WANG, Chia-yung WANG, Chia-ming WANG and Chun-ling WANG fled abroad during the investigation process and remained at large after the prosecution was filed with the court. On May 8<sup>th</sup>, 2009 the court issued the circular orders against Chuan-pu WANG et al. As to defendant Li-heng KUO, the Supreme Court rendered its final judgement on April 16<sup>th</sup> 2014 and pronounced that the crime proceeds of US\$ 340'533'140 and FRF 4'760'461 obtained jointly by Li-heng Kuo and Chuan-pu Wang, who was then at large, as joint offenders shall all be jointly confiscated.

### **4. Motion for Confiscation**

The amendment of Criminal Code was passed on December 30<sup>th</sup> 2015 and comes into force on July 1<sup>st</sup> 2016. Based on the amendment, the confiscation of illegal proceeds may be declared independently if the offenders cannot be prosecuted or convicted de facto or de jure. Illegal proceeds shall also be confiscated from any third party if not being acquired in good faith. SID files its motion with the court for the independent confiscation as the amendment comes into force, and requests that whenever confiscation, in part or whole, of the illegal proceeds cannot be performed, a demand for payment of equal value shall be made in its stead. Hence, the illegal proceeds being laundered into the accounts of the legal entities, including Euromax, Sableman and Luxmore, are

also requested to be confiscated.

## **5. US\$969 million – the Approximate Amount Requested to Be Confiscated**

The estimated amount of illegal proceeds requested to be confiscated in the motion, of which the confiscated amount of Li-heng KUO already deducted, is about US\$483 million (consisted of about US\$454 million and about French Franc\$ 245 million). Pursuant to the newly-passed statutes, all the dividends and benefits derived from the illegal proceeds are subject to confiscation. The approximated amount of dividends and benefits are about US\$486 million. Thus the totaled amount requested to be confiscated is about US\$ 969 million.

## **6. Subsequent Process**

The motion is filed with the court today for independent confiscation. If the decision of approval is granted, SID will then submit MLA request based on the approved amount for the restitution of frozen assets in respective countries, and complete the process of confiscation.