

Chen Shui-Bian

Case ID:

ARW-40

Jurisdiction of Origin of Public Official or Entity Allegedly Involved:

Taiwan, China

Position of Public Official(s) (yrs in office):

President (2000-2008)

Jurisdiction of Asset Recovery:

United States

Jurisdiction of Asset Recovery ? Description:

Undertaking Recovery Effort, Location of Recovery Effort, Asset Location / Alleged Asset Location

Asset Recovery Start:

2010

Asset Recovery End:

Ongoing

UNCAC Offenses Implicated:

Art.15

Art.17

Art.23

Money laundering Implicated:

Yes

Legal Basis for Asset Recovery:

Non-Conviction Based Confiscation

Intl.Cooperation: MLAT/Letter of Request?:

Unknown

Basis for Intl Cooperation:

Cooperation in investigation but mechanism unspecified

Contributing Factors in Asset Recovery:

Ongoing Cases, but the U.S. Department of Justice stated in its press release that it was working closely with the Taiwan Supreme Prosecutors Office, Special Investigation Division to gather and exchange evidence (Source: U.S. Department of Justice, "Forfeiture Complaint Seeks to Recover Bribery Proceeds Paid to Former Taiwan President and His Family," July 14, 2010, accessed at <http://www.justice.gov/opa/pr/2010/July/10-crm-812.html>).

Stage in Asset Recovery Chain:

Final Judgment (No Appeal)

Agreement for Returned Assets:

Ongoing

Agreement for Returned Assets - Description:

N/A

Case Summary:

In August 2012, the US Department of Justice and Avallo Ltd., the legal entity that purported to be the legal owner of the Manhattan condominium and Virginia house which were the subjects of civil forfeiture complaints in New York and Virginia, entered into a settlement agreement to resolve the cases. Avallo Ltd. agreed to forfeit its interest in the two properties

in exchange for \$225,000 and \$67,321 from the net proceeds from the sale of the Manhattan and Virginia properties, respectively to Avallo. (Sources: U.S. v. Real Property Known as Unit 5B Of The Onyx Chelsea Condominium Located at 261 West 28th Street, New York, New York 10001-5933, Case No. 1:10-cv-05390-GBD (S.D.N.Y.), Stipulation and Order of Settlement and Discontinuance filed August 30, 2012; U.S. v. Real Property Known as 2291 Ferndown Lane, Keswick, Virginia 22947-9195, Stipulation and Order of Settlement and Discontinuance filed August 30, 2012.) On July 14, 2010, civil asset forfeiture complaints were filed by U.S. Department of Justice in federal courts in the Southern District of New York and the Western District of Virginia against a Manhattan condominium and a Keswick, Virginia home. The U.S. government alleged that the properties were purchased with proceeds of crime for which Mr. Chen and family had been convicted in Taiwan. In New York, a post-complaint protective order was filed against the property in August 2010. The properties were valued at \$2 million total. The complaints also noted the ongoing criminal prosecution of Florida attorney Stefan Seuss and that he had told investigators that he established the offshore structure allegedly used to conceal the corrupt proceeds. (Sources: U.S. v. Real Property Known as Unit 5B Of The Onyx Chelsea Condominium Located at 261 West 28th Street, New York, New York 10001-5933, Case No. 1:10-cv-05390-GBD (S.D.N.Y.), Complaint filed July 14, 2010; U.S. v. Real Property Known as 2291 Ferndown Lane, Keswick, Virginia 22947-9195, Case No. 3:10-cv-00037-nkm, (W.D. Va.), Complaint filed July 14, 2010. and U.S. v. Seuss, Case No. 09-cr-683 (E.D. Pa.). On September 19, 2011, the US filed a First Amended Verified Complaint in the New York suit against the Manhattan condominium which the US alleged "defendant property is owned by a New York limited liability company, West 28th Street LLC. West 28th Street LLC is owned by a British Virgin Island company, Avallo Ltd. HUANG, Jui-Ching, is the beneficial owner and director of Avallo Ltd. HUANG, Jui-Ching, is the daughter-in-law of the former president of Taiwan, CHEN, Shui-Bian and the spouse of CHEN, Chi-Chung, CHEN, Shui-Bian's son. Avallo Ltd. is held in trust by the Knight Square Irrevocable Trust, an Island of Nevis trust, with a British Virgin Islands Company, Global Fiduciaries Limited, as trustee. HUANG, Jui-Ching is beneficiary of the Knight Square Irrevocable Trust." (Source: US v. Real Property Known as Unit 5B Of The Onyx Chelsea Condominium Located at 261 West 28th Street, New York, New York 10001-5933, Case No. 1:10-cv-05390-GBD (S.D.N.Y.), First Amended Verified Complaint filed September 19, 2011.) According to a June 12, 2012 Court Scheduling Order, the trial date had not yet been determined but was to take place prior to March 15, 2013. (Source: US v. Real Property Known as Unit 5B Of The Onyx Chelsea Condominium Located at 261 West 28th Street, New York, New York 10001-5933, Case No. 1:10-cv-05390-GBD (S.D.N.Y.), Scheduling Order filed June 12, 2012.) In the Virginia case, the US Government filed an amended complaint on July 12, 2011 and as of November 4, 2011, a Bench Trial is scheduled for October 29, 2012-November 2, 2012. (Sources: U.S. v. Real Property Known as 2291 Ferndown Lane, Keswick, Virginia 22947-9195, Case No. 3:10-cv-00037-nkm, (W.D. Va.), First Amended Complaint for Forfeiture filed July 12, 2011; Second Amended Pretrial Order filed October 6, 2011.) According to Taiwan News, the US and Taiwanese authorities were reported to be discussing the auctioning of the two properties. (Source: (Source: Taiwan News, "SID seeking recovery of Chen Shui-bian's Swiss deposits," October 6, 2013.)

Disposition of Criminal Case(s):

According to a July 14, 2010 U.S. Department of Justice press release, "The former president and his wife were convicted in Taiwan on Sept. 11, 2009, for bribery, embezzlement and money laundering. They are currently sentenced to 20 years in prison. Their convictions were upheld on appeal and are now pending before the Supreme Court in Taiwan. Wu Sue-Jen previously pleaded guilty to other money laundering and forgery charges and was also convicted of perjury. The former president and his wife are also currently under indictment in

Taiwan for additional alleged acts of graft and money laundering." (Source: U.S. Department of Justice Press Release, "Forfeiture Complaint Seeks to Recover Bribery Proceeds Paid to Former Taiwan President and His Family," July 14, 2010.) According to a December 7, 2010 press release by the Federal Authorities of the Swiss Confederation, since January 7, 2008, the Swiss Attorney General had been conducting criminal proceedings against Chen Shui-Bian's son and daughter-in-law on suspicion of money laundering. (Source: The Federal Authorities of the Swiss Confederation Press Release, "CHF 20 million returned to Taiwan," December 7, 2010.)

Jurisdiction of Origin: Investigative Agency:

Taiwan Supreme Prosecutors Office, Special Investigation Panel

Jurisdiction of Origin: Prosecuting Authority/Civil Attorney(s):

Taiwan Supreme Prosecutors Office, Special Investigation Panel

Jurisdiction of Origin: Courts Involved:

Taipei District Court; Supreme Court

Jurisdiction of Asset Recovery: Investigative Agency:

Immigration and Customs Enforcement, Homeland Security Investigations Miami Field Office's Foreign Corruption Investigations Group and the Asset Identification and Removal Group; Immigration and Customs Enforcement Attache in the Hong Kong.

Jurisdiction of Asset Recovery: Prosecuting Authority/Civil Attorney(s):

U.S. Department of Justice, Criminal Division, Asset Forfeiture and Money Laundering Section

Jurisdiction of Asset Recovery: Courts Involved:

U.S. District Court for the Southern District of New York; U.S. District Court for the Western District of Virginia

Documents:

Attachment	Size
 Chen_SDNY_Settlement_Aug_2012.pdf	290.44 KB
 Chen_WVA_Settlement_Aug_2012.pdf	282.69 KB
 Chen_SDNY_First_Amended_Complaint_Sep_19_2011.pdf	101.64 KB
 Chen_Taiwan_Court_Decision.pdf	6.54 MB
 Chen_Switzerland_Recover_Funds_Taiwan_News_Oct_6_2013.pdf	7.65 MB

Other Sources:

U.S. v. Real Property Known as Unit 5B Of The Onyx Chelsea Condominium Located at 261 West 28th Street, New York, New York 10001-5933, Case No. 1:10-cv-05390-GBD (S.D.N.Y.), Complaint filed July 14, 2010; Stipulation and Order of Settlement and Discontinuance filed August 30, 2012; U.S. v. Real Property Known as 2291 Ferndown Lane, Keswick, Virginia 22947-9195, Complaint filed July 14, 2012; Stipulation and Order of Settlement and Discontinuance filed August 30, 2012; U.S. Department of Justice Press Release, "Forfeiture Complaint Seeks to Recover Bribery Proceeds Paid to Former Taiwan President and His Family," July 14, 2010; The Federal Authorities of the Swiss Confederation Press Release, "CHF 20 million returned to Taiwan," December 7, 2010; Taiwan News, "SID seeking recovery of Chen Shui-bian's Swiss deposits," October 6, 2013, at <http://www.taiwannews.com.tw/etn/print.php>