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JUSTICE NEWS

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Forfeiture Complaint Seeks to Recover Bribery Proceeds Paid to Former Taiwan President and His Family

WASHINGTON – Today, the U.S. government filed civil forfeiture complaints against properties in New York and Virginia that represent a portion of illegal bribes paid to the former president of Taiwan and his wife, announced Assistant Attorney General Lanny A. Breuer of the Criminal Division and Director John Morton of U.S. Immigration and Customs Enforcement (ICE). The forfeiture actions were filed in U.S. District Court in the Southern District of New York and the Western District of Virginia.

According to the complaints, in 2005 and 2006, Yuanta Securities Co. Ltd., (YSC) was attempting to increase its ownership share of Fuhwa Financial Holding Company Limited (FFHC) on Taiwan. According to the complaints, YSC paid a bribe of 200 million New Taiwan dollars, or approximately \$6 million U.S. dollars, to then-first lady Wu Sue-Jen, to ensure that the authorities on Taiwan would not interfere with its acquisition of additional shares and to attempt to establish a relationship with the head of the authorities on Taiwan.

“This case is another good example of the department’s resolve not to allow criminals to profit from their crimes,” said Assistant Attorney General Breuer. “As we saw in this instance, international cooperation is often the key to effective enforcement.”

“This serves as a warning to those corrupt foreign officials who abuse their power for personal financial gain and then attempt to place those funds in the U.S. financial system,” said John Morton, Homeland Security Director for ICE. “ICE’s Homeland Security Investigations agents will continue to work with our law enforcement partners both here and abroad to investigate and prosecute those involved in such illicit activities and hold corrupt foreign officials accountable by denying them the enjoyment of their ill gotten gains.”

According to the complaints, Wu Sue-Jen orchestrated the movement of funds from Taiwan by using shell companies, created in the British Virgin Islands and the Island of Nevis, which held Swiss bank accounts controlled by her son, Chen Chih-Chung, aka Bryan Chen, and his wife Huang Jui-Ching. According to the complaints, a portion of these bribe proceeds were then transferred from Switzerland to the United States and used to purchase a condominium in Manhattan and a house in Keswick, Va. According to the complaints, Chen Chih-Chung and Huang Jui-Ching wanted to purchase the properties while concealing their ownership in them.

In August 2008, Chen Chih-Chung and Huang Jui-Ching returned to Taiwan to face money laundering charges based on their participation in this and other schemes. Both were subsequently convicted. Chen Chih-Chung is currently sentenced to 14 months in prison and Huang Jui-Ching is sentenced to 12 months in prison. Both are also currently under indictment in Taiwan on additional money laundering charges.

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.

The Department of Justice and ICE worked closely with the Taiwan Supreme Prosecutors Office, Special Investigation Division to gather and exchange evidence regarding the money laundering that took place in this case to support the forfeiture of these funds.

The case is being prosecuted by Deputy Chief Linda M. Samuel of the Criminal Division’s Asset Forfeiture and Money Laundering Section. The investigation was conducted by the Foreign Corruption Investigations Group and the Asset Identification and Removal Group of ICE’s Homeland Security Investigations, Miami field office, in cooperation with prosecutors in Taiwan. Indispensible assistance was also provided by the ICE Attaché in the Hong Kong.

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Criminal Division