

TAIWAN TAICHUNG DISTRICT PROSECUTORS OFFICE

Press Release



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Taichung District Prosecutors Office Concluded the Investigation into A Large-Scale Bitcoin Mining Farm Electricity Theft Group, Initiated the Public Prosecution and Applied for Proclaiming Confiscation of All Criminal Proceeds

Taichung District Prosecutors Office (“the Office”) investigated the case of a large-scale Bitcoin mining farm electricity theft group. With conclusion of the investigation, the Office found that the defendants Hua Huang, Zheng, Su, and Hong Huang were guilty under Article 323 and Article 321, Paragraph 1, Subparagraph 3 of the Criminal Code, the provisions on stealing electricity by carrying a dangerous weapon, and that the defendant Zhou was clearly suspected of being an accessory to the crime under Article 30, the first half of Paragraph 1, Article 323, and Article 321, Paragraph 1, Subparagraph 3 of the Criminal Code, the law on carrying a dangerous weapon to steal electricity. Accordingly, the Office initiated a public prosecution the court, and applied for proclaiming confiscation of all criminal proceeds of defendant Huang and others, totaling more than NT\$80 million.

In March 2023 the Sixth Investigation Brigade of Criminal Investigation Bureau (“CIB”), National Police Agency, Ministry of the Interior (hereinafter referred to as “Sixth Investigation Brigade, CIB”), together with personnel of Taiwan Power Company (“TPC”), discovered that the Bitcoin mining farm managed by the defendant Hong Huang and located in Shigang District and Shalu District of Taichung City were suspected of stealing electricity, thereby recognizing that there was a group crime and reporting it to the Office for command to expand the investigation. After receiving the report, the Office immediately assigned Prosecutor Bai Hui-shu to direct the investigation. The first search was launched in May, and the Office seized three other electricity-stealing virtual currency mining farms managed by the defendant

Hong Huang located in the South District, Central District and Dali District, Taichung City. We applied for detention and holding incommunicado for the defendant Hong Huang, which was approved. During subsequent investigation, the seized mobile phones and other evidence were handed over to the Digital Evidence Collection Office for digital forensics to be conducted by the prosecutor investigator. It was found that this large-scale electricity theft group still has Bitcoin mining farms in three locations in North District, Central District and Xitun District, Taichung City. Prosecutor Bai Hui-shu directed Sixth Investigation Brigade, CIB to launch five waves of searches from July to September of the same year, and arrested the defendants Zheng (financial backer), Su (Zheng's wife), Hua Huang (actual builders of the mining farms) and Zhou (dummy lessee) and others. The Office prosecutor's application filed after the interrogation for detention and holding incommunicado for the three defendants Zheng, Su and Hua Huang was approved.

In summary, a total of 6 waves of searches and arrests were launched in this case, 8 Bitcoin mining farms involved in the electricity theft were investigated horizontally, and nearly 700 mining machines were seized. On the basis of TPC's calculation on the aforementioned 8 mining farms, the illegal benefits gained by defendant Zheng and others from electricity theft by the time being discovered and seized by the police totaled NT\$76,839,777. Defendants Hua Huang, Hong Huang and Zhou each received illegal benefits of NT\$2.8 million, NT\$1.33 million and NT\$147,000 in remuneration. To implement the Ministry of Justice's policy of thoroughly depriving criminal groups of their illegal gains, the Office immediately seized the property of the defendants by law upon completion of the investigation, including defendant Hua Huang's cash of NT\$13.317 million, financial account deposits of NT\$2.19 million, 1 car and 2 buildings under Hua Huang's name situated in Xizhi District, New Taipei City, and also defendant Su's cash of NT\$500,000, financial account deposits of NT\$1.65 million and 2 cars (among which, defendant Su's cars, mining machines, laptops and other equipment were commissioned to be auctioned by Administrative Enforcement Agency, Taichung Branch, and then sold for NT\$310,000 in cash).

The prosecutor of the Office traced this criminal case back to its source by making breakthroughs layer by layer, and finally seized the on-site managers of the mining farms, the financial backer and the builders of the mining farms. After concluding the investigation, the prosecutor initiated the public prosecution in the court, and further applied for proclaiming confiscation of the illegal gains of defendant Hua Huang and others, totaling of more than NT\$80 million. The court was asked to consider that among the locations of the electricity theft mining farms selected by the defendant Zheng and others, two of the mining farms had the electric wires close to melting due to long-term high temperature and high-speed operation, that one of the two mining farms has an American English cram school in operation upstairs and that the other has a hot pot restaurant in operation downstairs. A fire can break out in the event of even a moment of carelessness, and a major public danger may be induced to put the public and young students in uncertain hazard to life. Moreover, the prosecutor requested the court to give both defendants Zheng and Su a heavier sentence by taking it into account that they had a very bad attitude after committing the crime, really demonstrating a gross malice.

Upon dealing with criminal groups that illegally steal huge amounts of electricity, the Office will always conduct strict investigation and implement the policy to deprive the offenders of their full criminal proceeds so as to maintain social stability and national economic steadiness, and demonstrate the government's determination to crack down on illegal electricity theft crimes.