TAIWAN TAICHUNG DISTRICT PROSECUTORS OFFICE

Press Release

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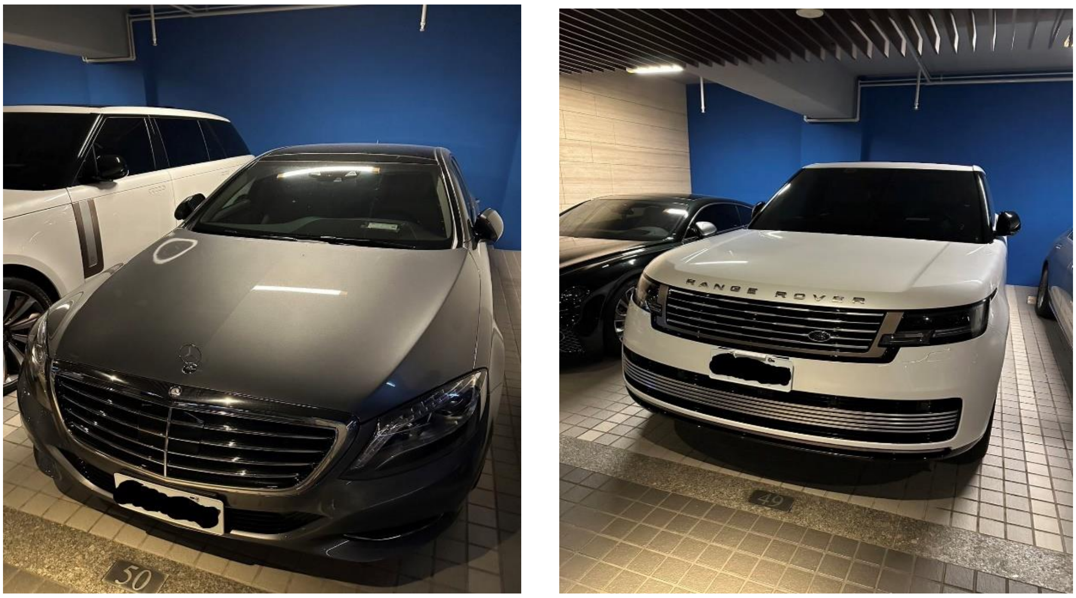
Taiwan Taichung District Prosecutors Office Investigates Fraud and Money Laundering Case Involving Massive Fees for Falsely Claiming to Procure BNT Vaccines 17 Individuals, Including Former Chairman of the Changhua Bar Association, Indicted; Over NT$1.08 Billion in Criminal Proceeds Seized.

The Taiwan Taichung District Prosecutors Office (hereinafter "this Office") received a report from the Northern Sector Mobile Work Fund of the Ministry of Justice Investigation Bureau (MJIB) to lead an investigation into Chen 〇-hsuan, former Chairman of the Changhua Bar Association, and others. They were suspected of fraudulently obtaining vaccine procurement consultancy fees, embezzling corporate funds, evading taxes, and laundering money. Prosecutors Huang Yu-feng, Lin Ssu-ping, and Weng Chia-lung were immediately assigned to lead a task force comprising public prosecutors' investigators from this Office's Major Crimes Support Center, the MJIB Northern Sector Mobile Work Fund, the Taichung City Police Department's Criminal Investigation Division, the Fourth Headquarters of the National Police Agency's Security Police, and Military Police units from Taichung, Changhua, and Yunlin. Searches were conducted on April 30 and May 20, 2026, and 28 individuals, including defendants and witnesses, were summoned for questioning. Following interrogation, the prosecutors determined that six defendants—Chen 〇-hsuan, Liu 〇-chun, Li 〇-tsung, Lo 〇-fang, Li 〇-〇-hsuan, and Chen 〇-hua—were heavily suspected of money laundering and other crimes. Given the risk of flight, collusion, and destruction of evidence, as well as the necessity of detention, an application for detention and prohibition of visitation was filed with and granted by the Taiwan Taichung District Court (hereinafter "Taichung District Court"). Other defendants were released on bail ranging from NT$100,000 to NT$5,000,000 (all figures in NTD unless otherwise specified).

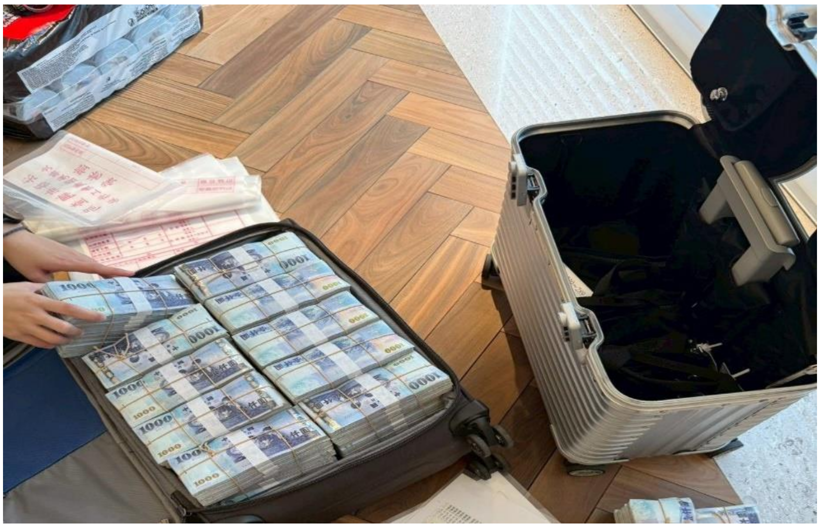
The investigation revealed that in 2021, during the peak of the COVID-19 pandemic in Taiwan, defendants Chen ○-hsuan and Li ○-ju (currently wanted) sought to exploit the urgent demand for vaccines for illegal personal gain. They falsely claimed to the Tzu ○ Foundation that they possessed channels to procure BNT vaccines and gained the foundation's trust by falsely stating they had assisted several large enterprises in vaccine procurement. Misled by these claims, the Tzu ○ Foundation commissioned Yu ○ Management Consulting Co., Ltd. (hereinafter "Yu ○ Company"), headed by Chen ○-hsuan, to procure 5 million doses of BNT vaccines. The foundation paid a consultancy fee of US$30 million (approximately NT$1.06 billion), which did not include the cost of the vaccines themselves or cold chain logistics. To disguise and conceal the source and destination of the illicit funds transferred to Yu ○ Company, Li ○-ju and Chen ○-hsuan conspired with relatives Li ○-tsung, Lo ○-fang, Li ○-○-hsuan, and Chen ○-hua, as well as assistants Liu ○-chun and Wu ○-ying. Chen ○-hsuan and Liu ○-chun first transferred approximately NT$740 million from Yu ○ Company′s account to Chen ○-hsuan′s personal account and the account of Fang ○ Management Consulting Co., Ltd. (hereinafter "Fang ○ Company"), which Chen also headed, thereby embezzling funds from Yu ○ Company. They subsequently withdrew approximately NT$520 million in cash in batches from these accounts and handed it to Li ○-tsung and others for safekeeping and expenditure. Furthermore, to evade business tax and profit-seeking enterprise income tax arising from the receipt of the aforementioned funds, Chen ○-hsuan conspired with Liu ○-chun and others to use nine companies, including Han ○ International Co., Ltd. (headed by Wang ○-han and nine others), to issue 33 fraudulent invoices to Yu ○ Company. This was done to inflate costs and input tax, thereby evading approximately NT$53.74 million in business tax, profit-seeking enterprise income tax, and additional tax on undistributed earnings. Chen ○-hsuan and others also required Wang ○-han and the nine others to withdraw the invoice payments in cash and return them, after which Chen ○-hsuan handed the cash to Li ○-tsung and others for safekeeping and expenditure. To further disguise and conceal the source and destination of the criminal proceeds, Chen ○-hsuan delivered approximately NT$410 million in cash to Ma ○-hai, Li ○-ju, and others. The remaining funds were used by Chen ○-hsuan, Li ○-tsung, Lo ○-fang, and Li ○-○-hsuan to purchase a large quantity of gold weighing approximately 232 kilograms to create breaks in the financial trail and hide the criminal proceeds.

Following intensive questioning of numerous defendants and witnesses, and cross-referencing seized documents, invoices, financial account transaction records, communication logs, and relevant financial flow data, the task force concluded that the 17 defendants, including Chen ○-hsuan, were respectively suspected of fraud, embezzlement in the course of business, uttering forged business documents, tax evasion and aiding tax evasion under the Tax Collection Act, preparing false accounting vouchers under the Business Accounting Act, and large-scale and general money laundering under the Money Laundering Control Act. The investigation was recently concluded, and a public prosecution was initiated at the Taichung District Court. The prosecutors also applied for the confiscation of the defendants' criminal proceeds totaling over NT$1.115 billion. During the two waves of search operations, approximately NT$93.08 million in cash and 158.8 kilograms of gold (estimated at a market value of approximately NT$680 million at the time of seizure) were seized, along with two high-value vehicles, including a Range Rover and a Mercedes-Benz. To thoroughly strip the defendants of their criminal gains, this Office also applied to the court for the seizure of financial accounts and real estate under the defendants' names, all of which were granted. The total value of the criminal proceeds seized in this case reached over NT$1.081 billion.

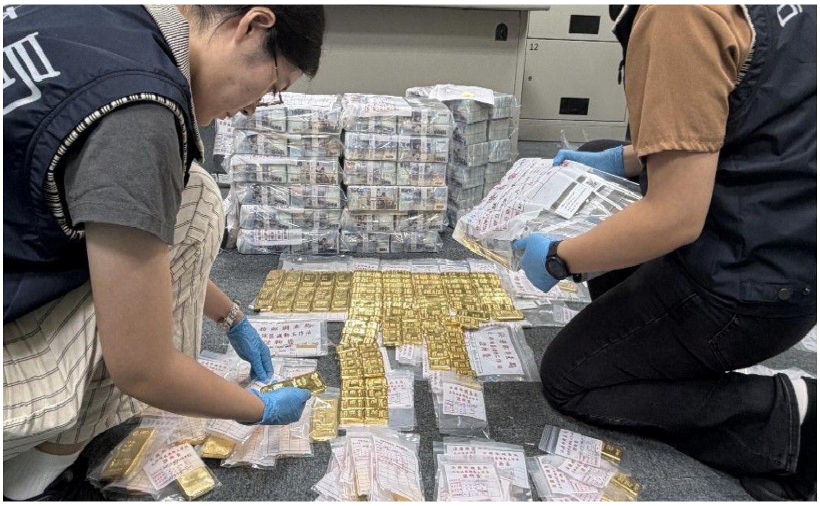
The Office emphasizes that vaccine procurement is vital to the lives, physical health, and significant public interest of the citizenry. No individual shall exploit the public's urgent need for vaccines during the pandemic to defraud vast sums of money under the guise of procurement, or create financial trail breaks and conceal criminal proceeds through sham transactions, cash withdrawals, or the purchase of gold. Regarding major economic crimes committed through the combination of professional status, corporate structures, and shell companies, the Office will continue to integrate the professional capabilities of judicial police agencies to actively trace the flow of funds and criminal proceeds. Furthermore, through procedures such as seizure and confiscation, the Office will implement the criminal policy that "criminal proceeds shall not be retained," thereby maintaining transactional order and public trust.



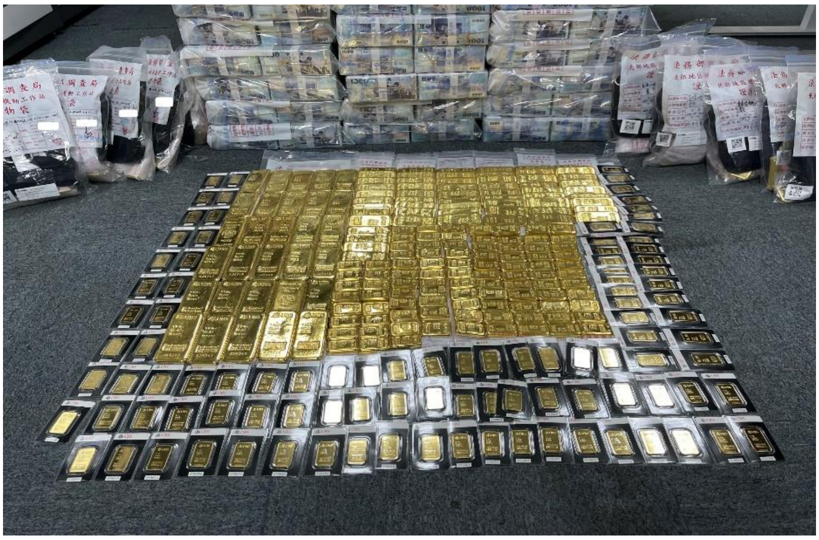
Luxury vehicles seized at the search site



Cash seized at the search site



Cash and gold seized at the search site



Gold seized at the search site