



TAIWAN TAOYUAN DISTRICT PROSECUTORS OFFICE

Press Release

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Yong-an Fishing Port Dredging Contractor Accused of Defrauding Over 41 Million NTD Through "Passing-by the Site" and "Running Non-Existing Orders": Seizure of Excess 8 Million NTD and Indictment by Taiwan Taoyuan District Prosecutors Office with Recommendations for Severe Penalties and Confiscation of Illegally Obtained Proceeds

Prosecutor Lu Yi-Xun has wrapped up the investigation into the violations of the Waste Disposal Act involving the principal figure at Hai Hwa Construction Corp. and 18 other defendants on January 9, 2024. The charges encompass a range of offenses, including circulating false documents, quasi-documents, fraud, and unauthorized waste clearance and disposal.

To ensure a thorough examination, Prosecutor Lu Yi-Xun directed the Taoyuan City Survey Department and the Ministry of Justice Investigation Bureau to conduct searches at 10 locations, including the business premises of Hai Hwa Construction Corp. and the residences of the defendants. This operation unfolded on September 13, 2023, involving interviews with 16 defendants and witnesses.

Following the investigations, Prosecutor Lu Yi-Xun identified sufficient evidence indicating collusion among accomplices or witnesses. Consequently, he sought the detention of four defendants, and this request received approval from the court.

Further scrutiny exposed the extensive reach of the criminal network, prompting an immediate expansion of the investigation. On September 18, 2023, searches were executed at six locations, including the business establishments of related enterprises and defendants' residences, along with interviews with two defendants. Subsequently, on September 20, 2023, searches were conducted at two locations, accompanied by interviews with two defendants. Prosecutor Lu Yi-Xun determined that one of them had substantial evidence to warrant concerns of possible collusion among accomplices or witnesses, leading to an approved detention.

In the unyielding pursuit of justice, efforts were intensified on November 20, 2023, with searches carried out at eight locations, encompassing the business establishments of related enterprises and the residences of the defendants. This operation involved interviews with five defendants.

A meticulous examination of the case prompted the prosecutor to initiate four successive stages of actions, conducting searches at a total of 26 locations. Additionally, funds totaling NTD 1,571,540 in the bank accounts of Hai Hwa Construction Corp. were frozen. Subsequently, based

on the prosecutor's counsel, some remaining defendants voluntarily restituted unlawfully obtained proceeds, amounting to NTD 6,479,544.

Hai Hwa Construction Corp. had secured the contract awards through bidding for two significant projects:

1. Procurement Tendering Case for "2020 Yong-an Fishing Port Mooring Basin and Waterway Dredging Work" (referred to as Case A): This contract was conferred upon the company on June 18, 2020, by the Department of Agriculture, Taoyuan.

2. Procurement Tendering Case for "2020 Yong-an Fishing Port Mooring Basin and Waterway Dredging Work – First Amendment" (referred to as Case B): The company bid for the amendment in November 2020.

These contracts involve the removal of 51,534 cubic meters of sludge from both the mooring basin and waterway.

However, it has come to light that defendant Hsieh, holding a position of authority at Hai Hwa Construction Corp., along with defendant Wu, a shareholder and manager, and defendant Li, responsible for overseeing construction operations, colluded with gravel and sand transport business owners and other co-defendants. This collaboration involved the adoption of deceptive practices, resulting in a deviation from their contractual obligations and subsequently exposing them to severe legal consequences.

The deceptive practices in question include the following:

1. "Passing-by the Site": Gravel and sand transport business owners

deployed dump trucks ostensibly for the transportation of sludge to designated soil and gravel resource stacking sites, as specified in the contract. Contrary to the stipulations, however, the sludge was not deposited at these sites; instead, the trucks merely passed by. This process involved the creation of GPS records in the dump trucks to obscure their illicit activities. Simultaneously, the sludge was unlawfully sold to entities such as Ding-Jhong Industrial Co., Jyu-Zan Industrial Ltd., and defendant Chang, resulting in the sale of 12,857.6 cubic meters of sludge

2."Running Non-Existing Orders": This deceptive tactic involved simulating the presence of sludge in dump trucks and transporting them to the aforementioned soil and gravel resource stacking sites.

These actions led to a substantial non-compliance with their contractual obligations, specifically in relation to the dredging of the mooring basin and waterway. Consequently, there was a failure to remove of 38,676.4 cubic meters of sludge. Furthermore, the defendants conspired to defraud funds from both Case A and Case B by selling the sludge for illicit gains, amassing illegal proceeds totaling NTD 41,099,933.

In defiance of the well-being and maritime safety of the country's fishermen, the accused, including defendant Hsieh and other co-defendants, disrupted the precise monitoring of silt destinations by the Department of Agriculture, Taoyuan, and the National Land Management Agency, Ministry of the Interior. This led to a hindrance in preventing environmental damage. Fortunately, Prosecutor Lu Yi-Xun uncovered and dismantled the intricate and extensive criminal organization, resulting in the indictment of defendant Hsieh, 18 co-defendants, defendant Hai Hwa

Construction Corp., and four other companies.

A call to action is extended to businesses within the relevant sectors to strictly adhere to applicable waste disposal regulations, recognizing their societal obligations. Emphasizing the imperative nature of avoiding undue risks and any attempts to circumvent the law, authorities remain steadfast in their commitment to collaborating with law enforcement agencies. This collaborative effort aims to enhance scrutiny and enforcement against such illicit activities, thereby ensuring the preservation of a pristine domestic environment.