



## **Press Release of the Agency Against Corruption, the Ministry of Justice**

Date of Issue: July 26, 2013

Publicized by: Civil Service Ethics Division, Agency Against  
Corruption, Ministry of Justice

Contact Person: Section Chief, Liao Chen-Yi

Contact Telephone: 02-25675586 # 2181

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### **Combining Investigation Project to Grab Subsidy Scams The Cooperation of the Agency Against Corruption and the Bureau of Employment and Vocational Training Council Jointly Protects Disadvantaged Groups**

The Director-General of the Agency Against Corruption, Mr. Chu and The Director General of the Bureau of Employment and Vocational Training (hereinafter referred to as the “BEVT”), Council of Labor Affairs, Executive Yuan, Lin San-Quei, jointly held a press conference to announce the executive establishment of “The Investigation Project on the Employment Initiation Program for Taking Care of Vulnerable Groups” today (26th) at 11:00 am.

In response to the impact of the global financial crisis on domestic unemployed disadvantaged groups, the Government has instructed the Council of Labor Affairs, Executive Yuan (hereinafter referred to as the “Council”) to promulgate the “Employment Initiation Program” to assist in the employment of

specific targets and unemployed disadvantaged groups by subsidizing the wages of employees of business units or groups from January 5, 2010 to June 30, 2012. However, during the execution of this program, the government employee ethics units have discovered unworthy institutions or organizations applying for various government employment subsidies by establishing dummy companies, counterfeit unemployed qualifications, falsifying employees' attendance records or payroll information, or even criminal groups, using various approaches, allegedly taking the opportunity to cheat on the subsidies.

The AAC has conducted investigation projects from April to June, 2012 and on 2013, respectively, during which NT\$2,847,100 was recovered and NT\$ 6,123,040 is to be recovered, saving public expenditure totaling NT\$8,970,140. The implementation results are shown as follows:

Inspection Result	Year 2012	The First Half of 2013	Total
Inspection cases	826	1,432	2,258
Number of people investigated	1,549	2,285	3,834
Letter transmitted to prosecutor (case)	7	17	24
Recovered amount	NT\$2,795,260	NT\$51,840	NT\$2,847,100
Amount to be recovered	NT\$1,617,600	NT\$4,505,440	NT\$6,123,040

The main types of infraction among the twenty-four (24) illegal cases discovered by this investigation project are as follows:

1. The implementation unit possessing employment fact prior to completing the qualification of unemployment falsifies employment data stating attendance

- records and payroll to apply to executive authorities for subsidies.
2. Using the same employee repeatedly to apply to different executive authorities for subsidies.
  3. Violating the regulations by hiring spouses, direct blood relatives, or collateral blood relatives within third degree of kinship and their spouses to apply to executive authorities for subsidies.
  4. Falsifying employee attendance and payroll records by creating a dummy account to apply to executive authorities for subsidies.
  5. Falsifying employee attendance and payroll records by dispatching workers of subsidized units to apply to executive authorities for subsidies.

Among all types of infractions, the falsification of attendance records in names of dummy accounts comprise the majority (5 cases), followed by cases with two kinds of illegal statuses (7 cases). Both of them involve the crime of false specification in Article 210 of the criminal code and the crime of fraud specified in Article 339 of the Code.

The implementation of “Employment Initiation Program for Taking Care of the Vulnerable Group” is to safeguard the Government’s objective of a prosperous society for “Creating Equal Prosperity and Protecting Disadvantaged Groups through Government Care” which intends to assist unemployed disadvantaged people to obtain employment to prevent them from being deficient through worthwhile government subsidies. The AAC has focused on the discovered shortcomings during the execution process of the “Employment Initiation Program” to put forward six reform proposals for the BEVT to supervise the participating employment service centers under its jurisdiction as an anti-malpractice mechanism for similar fraud cases in the future. Launched

from the goals of “Deter lawless fraud for subsidies” and “Help to improve auditing shortcomings”, the investigation project of 2013 has reduced the proportion of falsified applications for subsidies as well as wasteful public spending. The AAC will not allow the phenomenon of subsidy abuse to prevent the distortion of the Government’s good intentions.

The changing of the ethics task from traditional role to early warning function is the main policy that the AAC endeavors to promote. With respect to the discovered shortcomings in the implementation of “Employment Initiation Program”, the AAC, through the measure of early warning, and in line with the concept of zero tolerance for corruption, will initiate the audit at the beginning of the execution process and encourage the public to report such illegal activities over all sides so as to eliminate such crime in the first place.