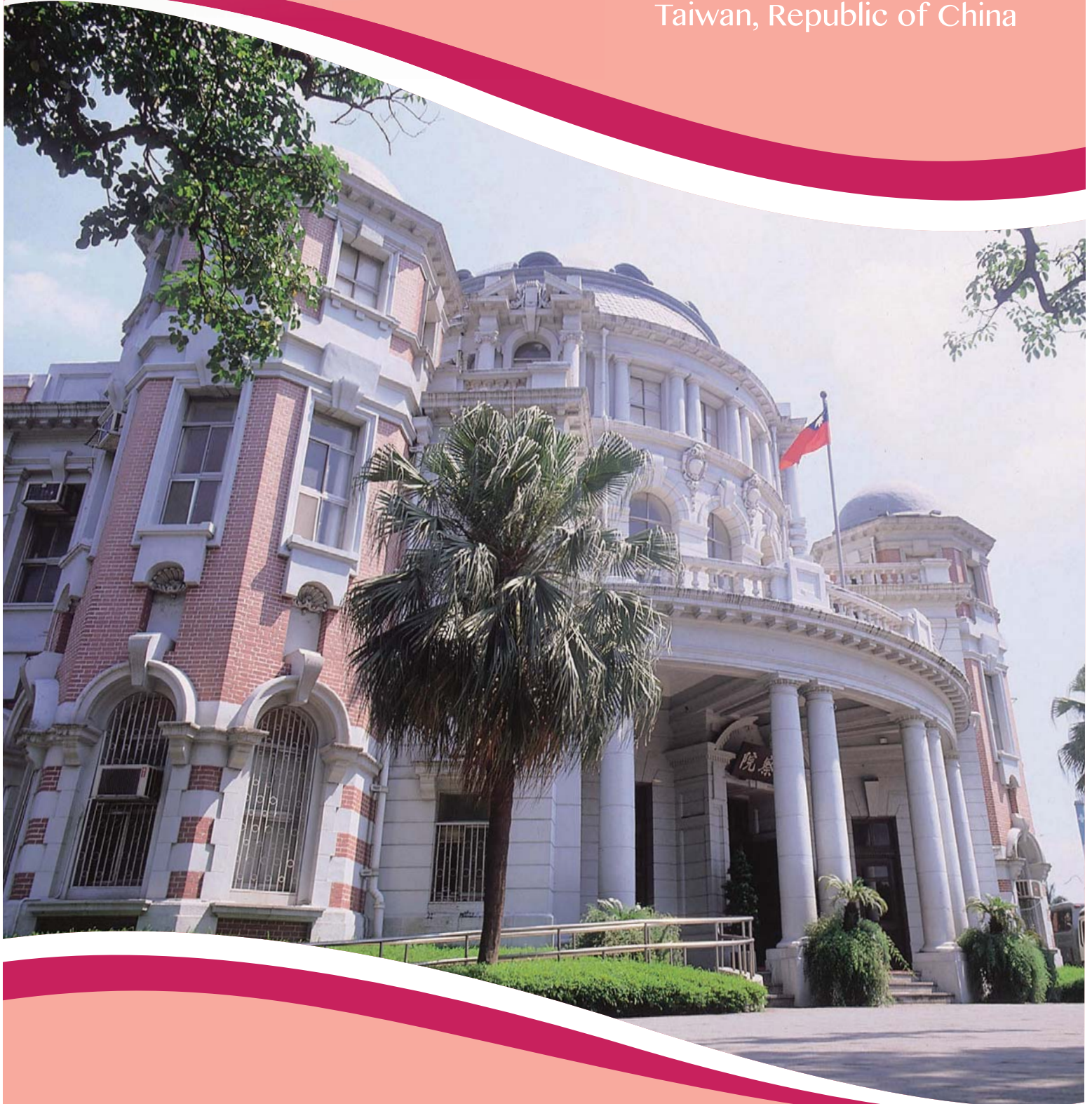


2017

Annual Report of the Control Yuan Taiwan, Republic of China





Preface



The Control Yuan (CY), as one of the five branches of the central government and the highest supervisory body in the Republic of China on Taiwan, is responsible for supervising government agencies to ensure clean, fair and effective governance, and has the constitutional powers of impeachment, censure, corrective measures, investigation and audit in carrying out its mission. The CY also works with the National Audit Office in reviewing and examining government finance.

Since taking office on Aug. 1, 2014, the fifth-term CY has been actively carrying out its duties of supervising government agencies with a high

sense of mission and responsibility, effectively defending the rule of law, protecting human rights, and combating and preventing corruption. In 2017, the CY impeached 32 public officials for various offenses in 27 cases in sum, and proposed a total of 99 corrective measures against government ministries and agencies. Following the recommendations of the corrective measures helped save the government a total of NT\$6.5 billion (US\$216.7 million), including NT\$6.06 billion (US\$202.3 million) in additional revenue and NT\$450 million (US\$15 million) in reduced spending.

The ROC has adopted five International Human Rights Covenants since 2009, and the CY has the power and responsibility, as the national human rights institution, to investigate possible violations of the provisions of these covenants by domestic government agencies. Among the total of 275 investigation reports issued by the CY last year, 159 were related to human rights (57.8%), with a majority of these concerning violations of the right to life and health, followed by the right to judicial justice.

The CY also continued actively engaging with the international community in 2017. We had the privilege of hosting many prominent visiting dignitaries, such as Ms. Iris Miriam Ruiz Class, Puerto Rico's Ombudsman; and Mr. Seong Jun Kim, Managing Director for research at South Korea's Board of Audit and Inspection, as well as delegations from Paraguay, Honduras, Saint Lucia, Mongolia and Ecuador. Meanwhile, I had the pleasure of leading delegations to attend the 40th anniversary of the Commonwealth Ombudsman in Canberra, Australia, and the 29th Australasian and Pacific Ombudsman Region Conference in Perth, western Australia. The CY also signed a cooperative agreement with the Puerto Rico



Ombudsman. We are confident that we can continue to improve the quality and effectiveness of our ombudsman work through such collaborative endeavors with related organizations around the world.

In January 2018, 11 new CY members took office, and all members and staff will continue working diligently in support of the CY's ceaseless pursuit of excellence in government administration in keeping up with the public's expectations.

Po-ya Chang
President of the Control Yuan
June 2018



CONTENTS

Preface.....	I
Part 1 2017 Highlights: An Overview of Work Performance	2
Part 2 ROC Supervision System in Brief.....	8
Part 3 Our Performance.....	14
A. Handling Complaints and Assuring Good Governance	14
I. Receipt of People’s Complaints	14
II. Investigation.....	17
III. Impeachment, Censure, and Corrective Measures.....	18
B. Audit	23
C. Sunshine Acts	26
I. Asset Declarations by Public Functionaries.....	26
II. Conflicts of Interest	28
III. Political Donations.....	30
IV. Lobbying Act.....	32
V. Online Declaration Service	32
D. Human Rights Protection	33
E. International Exchange	37
I. Attending International Conference.....	37
II. Signing Bilateral Cooperative Agreement with Puerto Rico Ombudsman	39
III. Receiving International Visitors.....	40
IV. Publication	43

Part 4 Case Summaries: Bringing Our Powers to Bear	46
A. Reducing Public Expenditures	46
I. Case 1:	46
Control Yuan Recommendations on Unpaid Tax Recovery Help Boost State Coffers by NT\$6.9 B.	
II. Case 2:	47
Control Yuan Investigation of TRA Performance Leads to NT\$1.8 B. Reduction in Operating Losses	
B. Upholding Discipline	49
I. Case 1:	49
Control Yuan Impeaches Township Chief for Abuse of Power, Aiming to Uphold Honest Government	
II. Case 2:	50
Control Yuan Impeaches Corrupt Township Chief, Upholds Discipline	
C. Safeguarding Human Rights	52
I. Case 1:	52
Control Yuan Recommendations on Pension Reserve Fund Supervision Improve Compliance, Better Safeguarding Workers’ Rights	
II. Case 2:	53
Control Yuan Urges Greater Efforts on Boosting Fire Alarm Installation Rate to Ensure Safety	
Appendix.....	58



List of Tables and Graphs

▶ The Five-Power Constitutional System of Republic of China.....	9
▶ Categories of Complaints Received in 2017	16
▶ Statistics on Cases Investigated by the Control Yuan in 2017	18
▶ Official Ranks of the Impeached in 2017	19
▶ Occupational Types of the Impeached in 2017	19
▶ Cases of Corrective Measures Proposed by the Respective Committees in 2017	22
▶ The Audited Entities.....	23
▶ Cases Reported by the National Audit Office to the CY in 2017.....	25
▶ Timeline of The Sunshine Acts	26
▶ Statistics on Cases of Asset Declarations by Public Functionaries in 2017	28
▶ Types of Interest.....	29
▶ Conflicts of Interests: Violations and Penalties	30
▶ Maximum Amount of Political Donations per Year.....	31
▶ Statistics on Political Donation Fines in 2017	31



Part 1

2017 Highlights: An Overview of Work Performance



Part 1 2017 Highlights: An Overview of Work Performance

As the nation's top government watchdog, the Control Yuan continued throughout 2017 to utilize its authority to safeguard the rights and interests of the people and ensure honest and able government. In total, the CY received 15,128 petitions from citizens and issued 313 investigation cases during the year, with corrective measures carried out in 99 cases and impeachments in 27 cases.

Among the petitions received in 2017, those involving the administration of justice accounted for the largest portion, at 39.5% of the total, followed by those dealing with internal affairs, at 30.2%. Regarding the 313



CY members assigned daily to receive and handle complaints submitted by the public at the Complaint Receipt Center



investigation cases, 222 letters calling for improvements were sent to government administrative bodies. As for the cases of corrective measures, those involving financial and economic affairs accounted for the largest share, at 30 in sum, while in the 27 impeachment cases, a total of 32 officials were impeached, including 7 judicial and military officers.

Resolving the grievances of citizens has always been one of the CY's most important tasks in dealing with petitions from the public. Therefore, most of the petitions that the CY handles and the investigations that it conducts are closely related to safeguarding human rights. Among the investigation reports in 2017, those involving the right to subsistence and the right to health accounted for the largest portion, at 11.3% of the total, followed by those involving the right to justice at 10.9%, and the right to property at 9.5%.

In addition, the CY is also responsible for various tasks aimed at promoting clean and honest government, including handling asset disclosures by the nation's high-level government officials, as well as contributions received by political parties and candidates, in order to ensure that officials are not involved in any conflicts of interest. As these tasks are enormously complex in nature, the CY has in recent years been vigorously establishing an online reporting and auditing system, and carrying out various computerization projects to provide more beneficial and effective reporting services. In 2017, there were a total of 5,573 cases of reporting assets online, with the savings in time amounting to 22,292 hours in sum if calculated at 4 hours per case. Furthermore, 99.1% of the individuals declaring their assets in this manner used the online platform to report information on changes in their

own jobs, thereby substantially improving the timeliness and accuracy of related data.

During 2017, the CY welcomed many prominent foreign dignitaries to Taiwan. These included Ms. Iris Miriam Ruiz Class, Puerto Rico's Ombudsman; Mr. José Enrique García, comptroller of the Republic of Paraguay; Mr. José Juan Pineda Varela, president of the Supreme Court of Auditors of Honduras; Mr. Andy Daniel, president of Saint Lucia's Senate; Ms. Leonne Theodore-John, speaker of Saint Lucia's House of Assembly; and three members of the Republic of Ecuador's National Assembly. The CY also signed a cooperative agreement with the Office of the Ombudsman of Puerto Rico.

The CY also continued to actively engage with the international community, including participating in the 40th Anniversary of the Commonwealth Ombudsman and the 29th Australasian and Pacific Ombudsman Region Conference. During the latter event, CY President Po-ya Chang and CY Member Tzong-ho Bau were invited to join a panel discussion on the subject of "The Unique Challenges for Offices of the Ombudsman in the Australasian and Pacific Ombudsman Region."



CY signing Cooperation Agreement with Puerto Rico Ombudsman Office



CY Delegation Attending the 29th APOR Conference

Part 2

ROC Supervision System in Brief



Part 2 ROC Supervision System in Brief

Historical Background

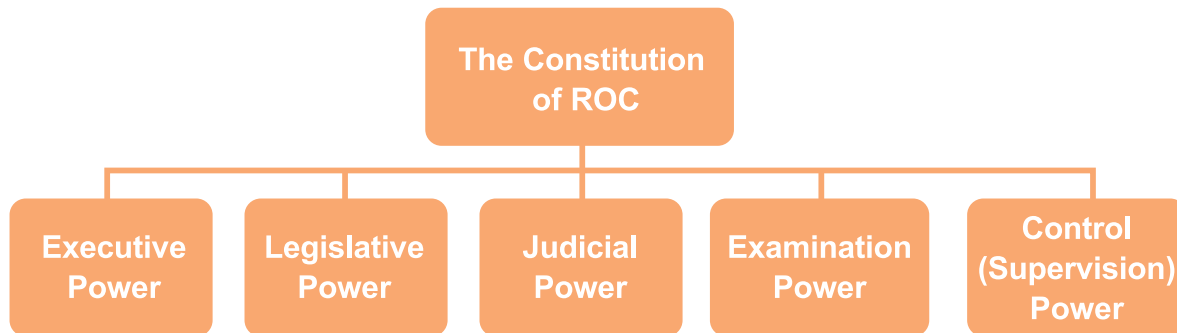
The origins of the supervision system used in Taiwan to ensure just and good government dates back more than 2,000 years to ancient China during the Qin (246-206 B.C.) and Han (206 B.C.-A.D. 220) dynasties. In early 20th century, the system was transformed and modernized with the addition of the western constitutional concept by the Republic of China's founding father, Dr. Sun Yat-sen. In addition to drawing from the Western system of checks and balances among the legislative, executive and judicial branches, Dr. Sun added two branches used in traditional Chinese governance, namely the examination and control (supervision) branches, to complete the concept of a five-power system of government.



Statue of the ROC founding father, Dr. Sun Yat-sen, erected at the CY main stairway



The Five-Power Constitutional System of Republic of China



Organization

The Control Yuan is composed of 29 Members, four departments, six offices, seven standing committees, five special committees and two task force groups. All Members shall serve a term of six years and shall be nominated by the President of the ROC, with the consent of the Legislative Yuan. The term of the current (the fifth term) Members is scheduled to end on July 31, 2020.

Functions and Powers (Jurisdiction)

- Receipt of people's written complaints
- Investigation
- Corrective measures
- Impeachment
- Censure
- Circuit supervision and inspection
- Invigilation
- Audit
- Acceptance of asset declaration by public functionaries

- Handling of matters related to recusal of public functionaries due to conflicts of interest
- Handling the approval, change, and closing political donation accounts, and the declaration of account records
- Handling registration for the application, change, or termination of lobbying cases, and the declaration of financial receipt statements
- Human rights protection
- International exchange

History

- 1928** The Auditing Yuan was established.
- 1931** The Control Yuan was established and the Auditing Yuan was reorganized as a ministry under the CY.
- 1947** The ROC Constitution was drafted, specifying a central government with five branches (Executive, Legislative, Judicial, Examination and Control Yuan).
- 1948** The Constitution came into effect and the CY was officially established. The members (National Ombudsmen) during the first term of the CY were elected by the provincial, municipal, Mongolian, Tibetan and overseas Chinese representative councils.
- 1949** The government relocated to Taiwan from the mainland China due to the Chinese civil war between the Nationalist Kuomintang (KMT) government and the Chinese Communist Party.



- 1992** According to the amendment of the ROC Constitution, the number of CY members was reduced to 29, including a president and a vice president. All members were nominated and confirmed by the National Assembly.
- 2000** The constitutional amendment specified that the 29 CY members shall be nominated by the ROC President and confirmed by the Legislative Yuan to serve a six-year term.
- 2005** The CY was unable to exercise its powers for three-and-half years due to the political stalemate at the end of 2004 when the legislators of the opposition party refused to approve the nominations of the fourth-term members.
- 2008** The fourth-term CY members took office on Aug. 1, 2008. Mr. Chien-shien Wang, former minister of finance, was the CY president, and 7 of the 29 members were female. The members included scholars, judges, lawyers and former legislators from various professional backgrounds.
- 2014** The fifth-term CY members took office on Aug. 1, 2014. Dr. Po-ya Chang, former chairperson of the Central Election Commission, is the incumbent CY president. She is the first female CY president and also the first woman to head one of the five branches of government. Their term is due to expire on July 31, 2020.



5th term CY members and office staff



President Chang presiding over a plenary meeting

Part 3

Our Performance



Part 3 Our Performance

The CY obtains comprehensive powers and functions of supervision, which all aim to protect human rights, uphold government ethics, promote good governance and mitigate citizen complaints. By actively exercising its powers in 2017, the CY has accomplished various works, which are illustrated in order as follows:

A. Handling Complaints and Assuring Good Governance

I. Receipt of People's Complaints

According to Article 4 of the Control Act, the CY and its members may receive people's written complaints. Anyone can lodge a complaint of malfeasance against any public officials or against government agencies for a specific wrongdoing.



CY member receiving complaints at the Complaint Receipt Center



The CY receives complaints from:

1. **Citizens:** A major source of the complaints we receive are from citizens. They can lodge complaints by post, fax, e-mail or CY's online complaint system. One can also visit CY's Complaint Receipt Center to make complaints.
2. **Government Agencies:** Government agencies shall send all cases of misconduct or violation of laws by its high-ranking staff (senior ranking above level nine out of fourteen) to the CY.
3. **National Audit Office (NAO):** As CY's subordinate organization, the NAO is responsible for referring relevant cases to the CY for further investigation.
4. **Organizations/Groups:** Any organization or group that falls victim to government wrongdoings or negligence can lodge complaints.
5. **Circuit Supervision and Inspection:** Citizens who live in local areas can also submit complaints to CY members when they conduct circuit supervision at central and local government agencies. Meanwhile, CY members can initiate investigation by themselves if deem necessary.
6. **The Media:** CY members can examine misconduct brought to their knowledge through the mass media.



CY members carrying out circuit supervision

In 2017, the CY received 15,128 complaints. Below are types of complaints received:

Categories of Complaints Received in 2017

Item	Unit: Number of cases	
	Total	%
	15,128	100
Judicial Affairs	5,969	39.5
Domestic Affairs	4,576	30.2
Financial and Economic Affairs	2,059	13.6
Educational Affairs	1,179	7.8
Transportation Affairs	764	5.1
National Defense Affairs	443	2.9
Foreign Affairs	76	0.5
Others	62	0.4



II. Investigation

When receiving a complaint, CY Members deem if it needs to be further investigated. A Member can also initiate an investigation case on his or her own motion. Once an investigation case is established, one to three investigators, from the CY Supervisory Investigation Department would be assigned to assist in relevant work, including document inspection, inquiry, field survey, consulting, and so on.

Types of investigations can be categorized as follows:

1. **Assigned investigation:** Members, in rotation, are assigned by either resolution of a CY plenary meeting or a committee meeting to conduct an investigation.
2. **Self-initiated investigation:** Members may initiate investigations if deemed necessary.
3. **Commissioned investigation:** The CY entrusts related organizations with the investigation of complaint cases.

In 2017, the CY established and investigated 313 cases. Among the cases, 176 were assigned cases and 137 were own-motion ones. 272 investigation reports were completed and released; 222 were also completed with recommendations passed by the committees and sent to relevant government agencies for improvement.

Statistics on Cases Investigated by the Control Yuan in 2017

Units: Number of Cases

Total	313
Assigned investigation	176
• Assigned by resolution of CY plenary meeting	39
• Assigned by resolution of committee meeting	137
Self-initiated investigation	137

III. Impeachment, Censure, and Corrective Measures

As the highest supervisory organization of the country, the CY is entitled to take legally coercive actions including impeachment, censure, and corrective measures against civil servants or government agencies for dereliction of duty or maladministration. Measures of these kinds would only be proposed after a thorough investigation is completed.

1. Impeachment

The CY shall bring impeachment cases against civil servants at central and local governments whom it deems negligence.

An impeachment case shall be initiated by at least two CY Members, then reviewed and voted by no less than 9 Members. Once the proposal is approved, the impeachment case would be referred to the Judicial Yuan for review and final judgment of punishment.

In 2017, the CY passed 27 impeachment cases, in which 32 government officials or officers were impeached.



Official Ranks of the Impeached in 2017

	Units: Persons
Total	32
Civil Official	
• Political Appointees	3
• Elected	6
• Senior Rank	11
• Junior Rank	4
• Elementary Rank	1
Military Officer	
• Generals	1
• Colonels and Majors	3
• Captains and Lieutenants	1
Judicial Officer	
• Prosecutors	2

Occupational Types of the Impeached in 2017

	Units: Persons
Total	32
General Administration Affairs	9
Educational and Cultural Affairs	9
National Defense Affairs	5
Judicial Affairs	2
Police Affairs	5
Foreign Affairs	1
Transportation Affairs	1



CY press conference on impeachment motion

2. Censure

The CY employs the power of censure when it deems that a public servant has broken the law and must be suspended from duty or be dealt with through other immediate measures.

Three or more CY members (excluding the initiating members) shall review each case of censure, and at least half of the members reviewing it must give their approval. Each case shall be referred to the superior of the public servant who has been censured for action. In addition, if a case involves violation of the criminal code, it shall be submitted directly to the competent court for action.

If the public servant's superior fails to act, or if two or more CY Members deem the action taken improper, impeachment may be initiated. If a



censured public functionary is impeached, his or her superior shall be held responsible for negligence of duty.

3. Corrective Measures

All investigation reports finalized by CY Members would be presented to CY standing committees, which are established in accordance with the ministries and agencies under the Executive Yuan (EY), for review.

CY Members-in-charge may propose corrective measures against the agency/agencies being investigated for improvement. After receiving the proposed corrective measures, the EY or its relevant agencies shall immediately make the appropriate improvements or take actions and reply to the CY within two months.

If the EY or its relevant agencies fail to reply in a timely manner to the proposed improvements, the CY may, upon resolution by its related committees, question in writing or notify the responsible officials to appear at the CY for questioning.

If the CY concludes that the reply of the EY or relevant agencies call for further inquiries, it may request an explanation from the relevant agencies or ask members-in-charge of the original investigation or investigators to conduct an on-site investigation.

If it is confirmed through an investigation that an executive agency has procrastinated and refused to make the necessary improvements, the CY may initiate a proposal of impeachment against the head of the agency.



CY press conference on a case of corrective measures

Last year, the CY proposed 99 cases of corrective measures. The table below presents the cases of corrective measures:

Cases of Corrective Measures Proposed by the Respective Committees in 2017

Unit: Number of cases

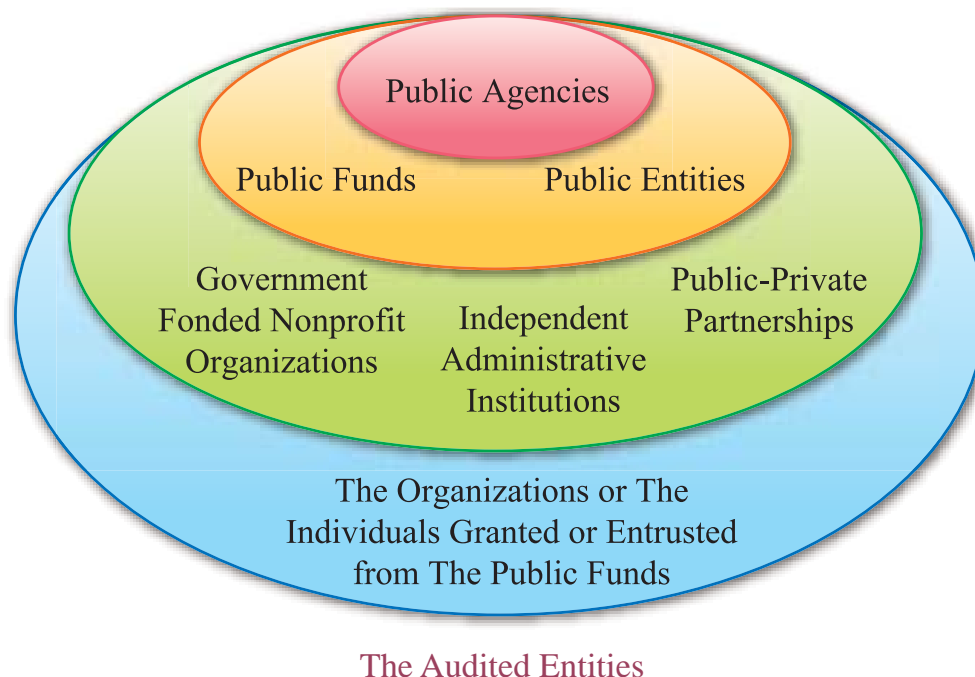
Total	99
Financial and Economic Affairs	30
Domestic and Minority Affairs	27
Educational and Cultural Affairs	15
National Defense and Intelligence Affairs	9
Judicial and Prison Administration Affairs	9
Transportation and Procurement Affairs	7
Foreign and Overseas Chinese Affairs	2



B. Audit

The power of audit is one of the supervision powers stipulated in the Constitution and its Amendment. This power is exercised by the National Audit Office (NAO) under the CY. The NAO is headed by an Auditor-General, who shall be nominated and appointed by the ROC President with the consent of the Legislative Yuan. Mr. Ching-long Lin has been the Auditor-General since 2007.

The main office of the NAO audits the central government and its subordinate organizations, while local audit agencies inspect local governments and their subordinate organizations. These audit organizations are responsible for auditing the financial operations of governmental agencies at all levels.



The power of audit includes:

- Supervising budget implementation
- Approving receipt and payment orders
- Examining and approving financial receipts and final accounts
- Detecting irregularities and dishonest behavior regarding property and financial affairs
- Evaluating financial efficiency
- Determining financial responsibilities
- Fulfilling other auditing duties mandated by law

If auditors discover that officials have committed financial irregularities or behaved dishonestly in an organization, the NAO shall report the findings to the competent audit organizations and notify the organization heads to take action. They may also report the case to the CY through auditing organizations for handling according to the law.

If a criminal offense is involved, the NAO shall refer the matter to the judiciary and report to the CY. If the auditing agency discovers that an organization has been seriously inefficient or neglectful of its duties, it shall notify the organization's supervising agency and report the matter to the CY.

If the cause of the problem is a lack of system regulations or acceptable facilities, suggestions for improvement should be made. More information on audit powers and performance is available on the NAO website: www.audit.gov.tw.



The following table lists the cases reported by the NAO to the CY:

Cases Reported by the National Audit Office to the CY in 2017

Unit: number of cases

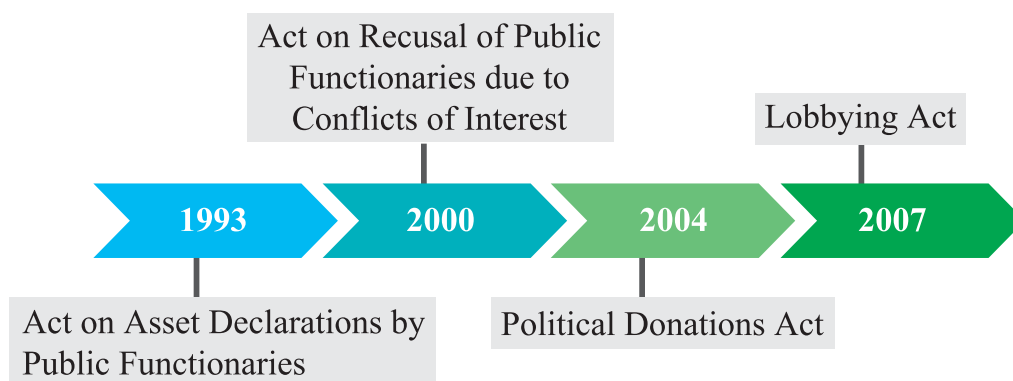
Method of Disposition						
Total	Investigated	Forwarded to other agencies to investigate	Merged with other similar cases investigated by the CY	Approval of the handling by the NAO	Filed away for future reference	Others
149	13	6	3	126	-	1

C. Sunshine Acts

To ensure a clean government, the CY serves as a loyal law enforcer for the following four acts:

- Asset Declarations by Public Functionaries
- Recusal of Public Functionaries due to Conflicts of Interest
- Political Donations Act
- Lobbying Act

Timeline of The Sunshine Acts



I. Asset Declarations by Public Functionaries

The purpose is to ensure proper ethics and integrity of conduct among public functionaries. The enforcement of the act provides transparency in public functionaries' personal finances for public perusal, examination and supervision.

The following officials shall report their assets to the CY:

1. President and Vice President;



2. Premier and Vice Premier of the Executive Yuan, and President and Vice President of the Legislative Yuan, Judicial Yuan, Examination Yuan, and Control Yuan;
3. Political appointees;
4. Paid senior advisors, policy consultants, and strategy consultants of the Office of the President;
5. Chiefs of governmental agencies of and above 12th rank, Chairpersons and Vice Chairpersons of the headquarters and branches of the state-owned enterprises, and directors and supervisors representing the government or the state-owned shares in private juristic entities;
6. Principals of public junior colleges and above, and subsidiary institutions of such schools;
7. Chief officers at all levels above the rank of Major General in the military;
8. Governors at above village (town, city) level elected pursuant to the Public Officials Election and Recall Act;
9. Legislators/councilors in the Legislative Yuan/councils at all levels;
10. Judges and Prosecutors with the basic salary of and above 6th level.

Public functionaries shall declare both domestic and overseas assets, including assets of all value (land, buildings, vehicles, insurance coverage). Properties with a total value up to NT\$1 million (cash, deposits, securities, debts), items with a value up to NT\$200,000 (jewelries, calligraphy, paintings, and antiques) and other important statement.

According to the law, if a public functionary fails to declare assets in time

or truthfully, the CY shall impose fines and have his or her name published. In 2017, the CY accepted 9,817 declaration cases, and there were 39 cases closed and fined. The fines totaled NT\$10,120,000 (US\$347,394).

*Statistics on Cases of Asset Declarations by
Public Functionaries in 2017*

	Case	Amount (NT\$1,000)
Cases closed and fined	39	10,120
Cases closed	40	5,535
Cases not yet closed	51	22,230
Cases with fines imposed		
- paid by installment	5	930
- in the process of administrative execution	16	2,120
- others	11	1,050
Cases where fines have not yet been imposed		
- in the process of administrative appeal	2	180
- in the process of filing an administrative action	5	11,800
- others	12	6,150

II. Conflicts of Interest

The aim of the act is to promote clean politics and integrity among public functionaries, and to effectively deter corruption. “Conflict of interest” refers to nonfeasance and malfeasance by a public functionary on duty that has resulted directly or indirectly in him/herself or relevant persons receiving favors. Public functionaries are required to recuse themselves in cases of potential conflict of interest.



If a public functionary fails to prevent interest conflict, then the affected parties shall, according to the position of the public functionary, apply for interest conflict prevention at the agency where the public functionary serves.

The CY shall investigate and impose fines upon those who violate the regulations. When cases of fine impositions are confirmed, they will be posted on the Internet or published in government gazette.

In 2017, there were 3 fine cases with a total amount of NT\$1,360,000 (US\$46,685).

<i>Types of Interest</i>	
Types	Items
Property Interests	<ol style="list-style-type: none"> 1. Movable and immovable properties 2. Cash, deposits, foreign currencies, and securities 3. Obligatory rights or other property rights 4. Other interests with economic value or that can be acquired through money exchange
Non-property Interests	<ol style="list-style-type: none"> 1. Appointment, promotion, job transfers and other personnel arrangement 2. Personnel measures in favor of a public servant or his related persons in the government organs, public schools or national enterprises

Conflicts of Interests: Violations and Penalties

Violations	Penalties (NTD)
Failure to recuse	<ul style="list-style-type: none"> • From 1 million to 5 million NT
Refusal to recuse	<ul style="list-style-type: none"> • From 1.5 million to 7.5 million NT
Abuse of power / Inappropriate lobbying	<ul style="list-style-type: none"> • From 1 million to 5 million NT • Any property interests gained therefrom shall be pursued and confiscated
Inappropriate transactions	<ul style="list-style-type: none"> • For the transaction amount not more than 10 million, a penalty between NT\$10 thousand to NT\$5 million shall be imposed. • For the transaction amount not less than NT\$10 million, a penalty between NT\$6 million and the amount of the transaction shall be imposed.

III. Political Donations

The act aims to regulate and manage political donations in promotion of fair and just political activities that contribute to a healthy democratic development.

“Political donations” refer to personal and real properties, disproportionate financial contributions, debt exemptions, or other financial gains given to a person or a group involved in political campaigns or other relevant activities.

A special account approved by the CY must be in place before political parties, groups and candidates receive donations. The CY is also responsible for handling candidates’ disclosures of accounting reports and publishing these disclosures in publications or posting them on its website. Candidates’



political donation account balances shall be sent to the CY for review. Violators will be fined.

<i>Maximum Amount of Political Donations per Year</i>				
Max. Donation Amount per Year (NTD)				
Types of donors	To a single political party or group	To multiple political parties or groups	To a single candidate	To multiple candidates
Individuals	300,000	600,000	100,000	200,000
For-profit enterprises	3 million	6 million	1 million	2 million
Civil groups	2 million	4 million	500,000	1 million

<i>Statistics on Political Donation Fines in 2017</i>		
	Cases	Amount (NT\$1,000)
Cases closed and fined	140	27,449
Cases closed	240	43,163
Cases not yet closed	101	34,281
Cases with fines imposed		
- paid by installment	10	7,352
- in the process of administrative execution	31	11,619
- others	36	7,628
Cases where fines have not yet been imposed		
- in the process of administrative appeal	5	2,650
- in the process of filing an administrative action	3	1,620
- others	16	3,412

IV. Lobbying Act

Lobbying refers an intentional interference by a lobbyist via verbal or written communication to affect the lobbied party or its agency about the formulation, enactment, modification, amendment or annulment of laws, government policies or legislation.

The lobbied parties include President and Vice President, people's representatives at all level, heads of municipal, county and city governments, directors and deputy directors of local offices, persons specified in Paragraph 1 under Article 2 of the Political Appointees Pension Statutes. In this regard, the CY president, vice president, members and secretary general are considered lobbied party.

V. Online Declaration Service

To provide a better declaration service with convenience and efficiency, the CY established a user-friendly online system for declaration of assets and political donations. In simplifying processes of reporting asset declaration as well as political donation data, the CY has in recent years been vigorously establishing an online reporting and auditing system, and carrying out various computerization projects to provide more beneficial and effective reporting services.

In 2017, there were a total of 5,573 cases of reporting assets online, with the savings in time amounting to 22,292 hours in sum if calculated at four hours per case. Furthermore, 99.1% of the individuals declaring their assets in this manner used the online platform to report information on changes in their own jobs, thereby substantially improving the timeliness and accuracy of related data.



D. Human Rights Protection

The Human Rights Protection Committee (HRPC) keeps track of cases of human rights violations and publicizes statistics on a monthly basis. Among the 15,177 citizen complaints handled by the Control Yuan in 2017, a total of 12,597 cases (83%) involved human rights violations. Meanwhile, 159 investigation reports (57.8%) issued and 63 corrective measures proposed during the year were related to human rights. A majority of the corrective measures were for violations of the right to life and health, followed by violations of the right to property, and of the right to social security.

In addition to conducting investigative work, the HRPC promotes human rights issues during the year in a number of ways, including the following:

Holding the 2017 Control Yuan Workshop on the Human Rights of Older Persons

On Nov. 29, 2017, the HRPC held the 2017 CY Workshop on the Human Rights of Older Persons, with the aim of gaining greater insight into older persons' human rights issues and exploring ways of improving the situation. More than 230 people attended the event, including government representatives, human rights professionals and scholars, such as Ms. Kate Swaffer, chair and CEO of Dementia Alliance International. The workshop covered a range of issues, including financial security for older persons, dementia and human rights, the integration of long-term care networks, and financial and human resources for long-term care.



2017 Control Yuan Workshop on the Human Rights of Older Persons

Attending the APF-NHRI Annual Meeting

CY Members Mei-yu Wang, Kuei-mei Chang and Jen-hsiang Chang took part in the 2017 Annual General Meeting of the Asia Pacific Forum of National Human Rights Institutes (NHRI) and Biennial Conference held in Bangkok, Thailand from Nov. 28 to Dec. 2. The event provided an excellent opportunity for the CY delegates to engage in exchanges with representatives of other NHRIs in the region and learn more about their functions and regulations for use as a reference in the CY's efforts to establish a similar institute in Taiwan that complies with the Paris Principles. During their stay in Bangkok, the CY delegation also paid visits to the Office of the Ombudsman and the Office of the National Human Rights Commission of Thailand to exchange views on human rights-related issues. In addition, the delegation also conducted circuit supervision



of the Taipei Economic and Cultural Office in Thailand as well as met with members of the overseas Taiwanese community to gain a better understanding of Taiwan's foreign relations, trade, overseas compatriots, cultural and other work in Thailand.



CY Members Attending the Biennial Conference of Asia Pacific Forum of National Human Rights Institutions

Staff Training on Promoting International Human Rights Conventions

Following ratification of the U.N. Convention on the Rights of the Child, the Convention on the Rights of Persons with Disabilities, and the Convention on the Elimination of All Forms of Discrimination against Women, the HRPC has held many training sessions to raise human rights awareness among CY staff. In 2017, the committee held four training sessions aimed at further instilling knowledge of international human

rights norms and standards in fellow staff members so they can better assist CY Members in overseeing the government's policy making and implementation. A total of 227 people participated in the training courses.

Engagement with Human Rights Groups at Home and Abroad

The HRPC regularly receives visiting representatives of human rights groups to exchange views and practical experience related to human rights work. The committee also participates in various human rights workshops and international seminars organized by the government and NGOs, in hopes of promoting exchanges and furthering engagement with civil society. In 2017, the HRPC played host to various delegations, including from the National Human Rights Commission of Mongolia, Afghan Independent Human Rights Commission, European Court of Human Rights, National Commission on Human Rights of Indonesia, Human Rights Commission of New Zealand, Alzheimer's Disease International, and Dementia Alliance International. The HRPC also sent staff to take part in various human rights events organized by government agencies and civic groups, such as Ministry of Justice-organized lectures on human rights for people with dementia, a Ministry of Interior-sponsored seminar on the U.N. Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment, and a Taipei City Government seminar on human rights, legal affairs and petitions.



E. International Exchange

The CY has actively engaged in international ombudsman activities and communications. In 1994, it established the International Affairs Committee (IAC) and became a member of the International Ombudsman Institute (IOI). Since then, the CY has regularly attended global and regional meetings, conferences and workshops held by the IOI. Meanwhile, the CY has also maintained a close relationship with the ombudsman community in Latin America by regularly attending annual conferences of the Federación Iberoamericana del Ombudsman (FIO) as an observer. During 2017, the CY also welcomed many prominent foreign dignitaries to Taiwan and forged constructive connections with many international counterparts.

The CY's main international activities in 2017 included the following:

I. Attending International Conference

1. 40th Anniversary of the Commonwealth Ombudsman

President Chang and Member Dr. Hsiao-hung Chen attended a conference marking the 40th anniversary of the Commonwealth Ombudsman held in Canberra, Australia, on April 5, 2017. More than 70 delegates from various countries around the world were invited to take part in the gathering to discuss ombudsman-related issues. Besides attending the conference, the Control Yuan delegation also visited the Taipei Economic and Cultural Office in Australia and met with members of the overseas Taiwanese community, in order to gain a better understanding of the current situation regarding Taiwan's foreign relations, trade, overseas compatriots, cultural and other work in Australia.



CY Delegation Attending the 40th Anniversary of the Commonwealth Ombudsman

2. 29th Australasian and Pacific Ombudsman Region Conference

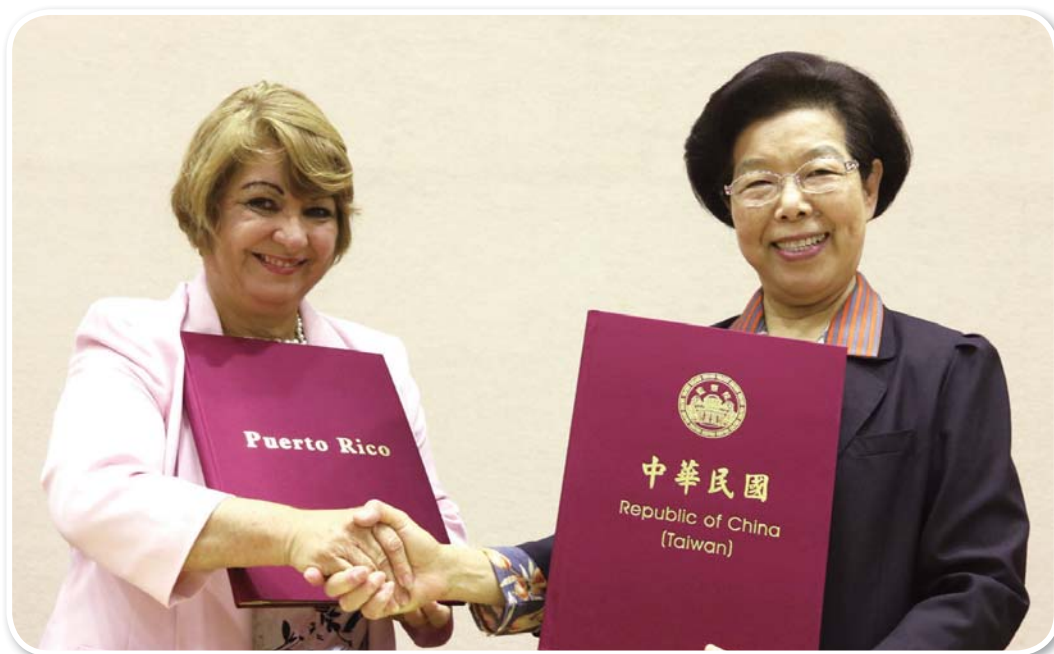
From Nov. 25 to 29, President Chang and Members Dr. Tzong-ho Bau, Dr. Hsiao-hung Chen and Mr. Wan-fu Fang attended the 29th Australasian and Pacific Ombudsman Region (APOR) Conference held in Perth, Australia. President Chang and Dr. Bau were invited to join a panel discussion, exchanging views with ombudsmen from around the region on ombudsman-related issues. During their visit, the delegation also met with members of the overseas Taiwanese community in Western Australia, conducted circuit supervision of the Taipei Representative Office in Singapore and met with three members of Parliament and overseas Taiwanese there, all of which contributed to a better understanding of Taiwan's trade, foreign relations, overseas affairs, cultural, and other related work in Australia and Singapore.



CY Delegation Attending the 29th APOR Conference

II. Signing Bilateral Cooperative Agreement with Puerto Rico Ombudsman

An official delegation of Puerto Rico Office of the Ombudsman visited the Control Yuan on April 11, 2017. The delegation, headed by Puerto Rico's Ombudsman, Iris Miriam Ruiz Class, signed a cooperative agreement with the CY during a plenary meeting. Following the signing ceremony, Ms. Ruiz Class delivered a speech, during which she talked about Puerto Rico's efforts and achievements in the protection of human rights, as well as the development of its ombudsman system and the challenges it faces.



CY Signing Cooperative Agreement with Puerto Rico Ombudsman

III. Receiving International Visitors

1. South Korean Board of Audit and Inspection

A delegation from the Board of Audit and Inspection of South Korea visited the Control Yuan on March 3, 2017. The four-member delegation was led by Managing Director for Research Seong Jun Kim. A meeting was held in the morning to allow the delegates to exchange views with CY staff from the General Planning Office, Departments of Supervisory Operations, Supervisory Investigation, and Asset-Declaration by Public Functionaries. Through this discussion, the delegates gained a better understanding of the ROC supervision and auditing systems.



BAI Delegation Visiting the Control Yuan

2. Visiting Dignitaries from Diplomatic Allies

Several honored guests from the ROC's diplomatic allies visited the Control Yuan at the invitation of the National Audit Office and the Ministry of Foreign Affairs. These included Mr. José Enrique García, comptroller of the Republic of Paraguay; Mr. José Juan Pineda Varela, president of the Supreme Court of Auditors of Honduras; Mr. Andy Daniel, president of Saint Lucia's Senate, and Ms. Leonne Theodore-John, speaker of the Saint Lucian House of Assembly. The visiting dignitaries were received by President Chang and all expressed the hope for more opportunities for related exchanges and experience-sharing between the CY and their respective institutions.



Paraguay Comptroller Visiting the CY



Saint Lucian Senate President and Speaker of the House of Assembly Visiting the CY



President of the Supreme Court of Auditors of Honduras Visiting the CY

IV. Publication

In 2017, the CY's International Affairs Committee published "An Overview of Ombudsman Institutions Worldwide." The book begins with the historical development and different models of ombudsman institutions, follows with introductions on 200 ombudsman organizations and institutions, and ends with Chinese translations of articles related to the current challenges and future developments in the ombudsman world. The CY hopes that translating material and articles on ombudsmanship into Chinese will help lift barriers for scholars and students in Taiwan to further their research in this field.





Part 4

Case Summaries: Bringing Our Powers to Bear



Part 4 Case Summaries: Bringing Our Powers to Bear

A. Reducing Public Expenditures

I. Case 1:

Control Yuan Recommendations on Unpaid Tax Recovery Help Boost State Coffers by NT\$6.9 B.

At the start of 2013, the Control Yuan took note that the total amount in unpaid back taxes owed by wealthy individuals and corporations on the National Taxation Bureau's published list of top tax defaulters stood at NT\$110.349 billion (US\$3.678 billion). In light of the fact that Taiwan's total tax revenues as a percentage of GDP was about 12% in recent years, well below the OECD average of 24.6%, as well as the fact that the government's current finances were less than ideal, the Control Yuan determined there was a need to actively recover unpaid back taxes and decided to launch an investigation into the matter.

The CY's investigation discovered that the wealthy defaulters commonly applied for rechecking of the amount owing in taxes. It also found that despite the National Taxation Bureau being required by law to complete rechecks within two months of receiving application, in 114 of the 350 large-sum cases selected by the CY for examination, totaling NT\$63.2 billion (US\$2.1 billion) in unpaid taxes, the process was not completed within a year. Furthermore, a total of 10 of the cases took over three years to recheck, while 34 had yet to be completed by the time of the release of the CY investigation report.



The Control Yuan therefore proposed corrective measures to the Ministry of Finance, requesting that it urge the National Taxation Bureau to complete recheck of the remaining outstanding cases as soon as possible in order not to provide defaulters with the opportunity to transfer their assets so as to avoid paying taxes owed.

Following the CY's recommendations, the Ministry of Finance has instructed each local office of the National Taxation Bureau to each month chart recheck cases more than one year overdue and provide analysis of the reasons for their incompleteness, in order for better management, as well as issue reports at monthly National Taxation Bureau meetings, with the overall aim of promoting greater efficiency in completing outstanding cases.

After follow-up monitoring of the situation by the Control Yuan over a three-year period, the remaining 34 cases were completed by Dec. 31, 2017, with a total of more than NT\$6.984 billion (US\$232.8 million) in back taxes being recovered, contributing to government finances and helping uphold tax fairness.

II. Case 2:

Control Yuan Investigation of TRA Performance Leads to NT\$1.8 B. Reduction in Operating Losses

The Taiwan Railway Administration (TRA) is responsible for public transport policy. In 2010, the TRA handled about 190 million passengers and 15 million tons of cargo, contributing significantly to domestic transportation service. However, when reviewing financial accounts in 2010, the National Audit Office discovered the TRA had registered

operating losses of more than NT\$10 billion (US\$333 million) for each of the two preceding years. It therefore relayed the case to the Control Yuan, which decided to launch an investigation with the aim of improving the situation.

The CY investigation found that the TRA's annual operating losses topped NT\$10 billion (US\$333 million) each year between 2006 and 2011, concluding that it was unlikely to break even without intervention. Furthermore, the TRA had an annual funding gap of NT\$7-8 billion (US\$233-266 million), having to take out loans to maintain operations, and therefore faced a potential crisis if financial institutions stopped providing lending.

Following the release of the CY investigation report, the TRA put forward short-, mid- and long-term plans to improve its financial situation, as well as various operations development strategies. Implementation of these initiatives resulted in significant growth in average daily revenue and passenger numbers and a gradual improvement in the TRA's finances. Comparing over a ten-year period, average daily revenue in the first half of 2017 was NT\$39.89 million (US\$1.329 million), up by 24.67% over the figure for 2007, while average daily passenger numbers were up by 37.61%. In addition, with the new measures being put in place, the TRA's annual operating losses dropped by NT\$1.822 (US\$60.73 million) billion in 2016, or 66.3% compared with the preceding year, proving that the measures were very effective.

The Control Yuan will continue tracking the TRA's improving situation in order to ensure the maintenance of safe, reliable and efficient public transportation services for the nation's citizens.



B. Upholding Discipline

I. Case 1:

Control Yuan Impeaches Township Chief for Abuse of Power, Aiming to Uphold Honest Government

The Control Yuan decided to impeach the chief of Kouhu Township, Yunlin County in September 2017 for abuse of office. In its investigation of Township Chief Yung-chang Tsai, elected in March 2010 and re-elected in December 2014, the CY discovered he had given consent in 2014 to his daughter and the township office driver to share the official driver salary. In addition, when the driver decided to resign near the end of 2014, the daughter and township office's chief secretary schemed to use a "dummy driver" in order to continue receiving the salary. In its investigation report, the Control Yuan said it considered the case both a criminal offense and in contravention of the Civil Service Act, which stipulates that public servants should be honest and upright and not take advantage of their official position to gain profit for themselves or their associates.

According to the CY investigation, the chief secretary re-confirmed the scheme with Yung-chang Tsai before delivering the fraudulent dummy driver documents to an unsuspecting administrative employee for handling, then to the unsuspecting directors of the administrative office, accounting office and personnel office, and the head of the finance section for approval. In the last step, the chief secretary stamped the documents with the town chief's official seal.

The Control Yuan determined that Yung-chang Tsai, who as township chief was in charge of overall administrative affairs and had the power of appointment, had not considered his responsibility of setting a good example for subordinates and strictly abiding by the law. It therefore held a review meeting and decided to formally impeach the town chief, with the decision serving as a reminder to all public servants to always be careful and ensure their actions are in accordance with the law so as to maintain the image of honest and able government.

I. Case 2:

Control Yuan Impeaches Corrupt Township Chief, Upholds Discipline

The Control Yuan decided in May 2017 to impeach Wen-yao Hsu, former chief of Ershui Township, Changhua County, for abuse of power for personal gain while in office and violating the Civil Service Act. His misconduct included accepting bribes in connection with public construction contracts and revealing confidential information in the procurement process.

According to the CY investigation, Hsu received NT\$1.011 million (US\$33,700) in bribes in the awarding of contracts for the construction of a tourist bicycle path in the township, as well as NT\$91,700 (US\$3,057) in bribes related to a multipurpose sports complex construction project. In addition, it was discovered that Hsu had revealed confidential information to bidding companies, including the reserve price of 7% to 7.5% for the projects' planning, design and engineering service.



The Control Yuan determined that as the township chief, Hsu should have been well aware that the tender process for public sector building projects should be open and fair. However, he failed to act accordingly, and his misconduct inflicted serious damage on the positive image of public servants.

The CY concluded that besides committing a criminal offense, Hsu had violated the Civil Service Act, which stipulates that public servants should be honest and upright and not take advantage of their official position to gain profit for themselves or their associates.

Following its investigation, the Control Yuan held a review meeting and decided to formally impeach Hsu for his misconduct, with the Public Functionary Disciplinary Sanction Committee sentencing him to suspension from office for a period of two years.

The Control Yuan hopes the case will be effective in upholding discipline among public servants by reminding them to always be careful and ensure their actions abide by the law so as to maintain the image of honest and able government.

C. Safeguarding Human Rights

I. Case 1:

Control Yuan Recommendations on Pension Reserve Fund Improve Compliance, Better Safeguarding Workers' Rights

Recommendations by the Control Yuan in an investigation report issued last year have led to improved compliance by employers with regulations on labor pension reserve funds, thereby helping to better safeguard workers' rights.

During its investigation, the CY discovered that central and local government officials in charge of labor affairs had failed to adequately supervise and ensure that employers were acting in compliance with Article 56 of the Labor Standards Act which stipulates that employers shall deposit labor pension reserve funds monthly for employees to whom the Act applies.

According to the investigation report, for the period from 2005 to 2016, a total of 7,919 business enterprises had failed to contribute labor pension reserve funds for the full twelve months in a year, and as of the end of 2016, 8,407 business enterprises had made only partial contributions, leaving a deficit of NT\$31.3 billion (US\$1.043 billion) that required topping up. Yet, regulatory authorities failed to impose fines, except in 46 cases, with the total fines in these cases amounting to NT\$4.23 million (US\$141,000). Furthermore, as of the end of February 2017, a total of 51 business enterprises had failed to open a special account for pension reserve funds.



Following issuance of the CY's post-investigation recommendations to related authorities for better supervision, the situation has improved. By the end of May 2017, the number of business enterprises failing to contribute to labor pension reserve funds for the full twelve months in a year had declined to 6,587. And as of the end of 2017, the number of enterprises depositing sufficient pension reserve funds amounted to 109,000, with the pension contribution rate reaching 97.32%, while the number of business enterprises making only partial contributions had dropped to 3,016. Meanwhile, total contributions for 2017 amounted to NT\$112.7 billion (US\$3.75 billion) , with a deficit of NT\$13.3 billion (US\$443 million) , marking a decline of NT\$18 billion (US\$600 million) compared with the previous year. In addition, by the start of December last year, all business enterprises had opened a special account for pension reserve funds, achieving the goal of 100% compliance.

Tasked with the responsibility of protecting human rights, the Control Yuan will continue follow-up monitoring of regulatory authorities' efforts in supervising compliance with related pension reserve fund regulations in order to safeguard workers' rights, including financial security and dignity in retirement.

II. Case 2:

Control Yuan Urges Greater Efforts on Boosting Fire Alarm Installation Rate to Ensure Safety

Recommendations made by the Control Yuan in an investigation report issued last year has resulted in new measures by the Ministry of Interior (MOI) to boost the fire detection equipment installation rate in Taiwan

households so as to better ensure people's safety. The investigation looked into the MOI's efforts in the period after Article 6 of the Fire Services Act was amended in 2010 by the Ministry with the aim of promoting installation of residential fire safety equipment for early detection and response. The amendment came about following a tragic hotel fire in Taipei City the previous year that caused seven deaths and one serious injury.

In its investigation, the Control Yuan discovered that as of the end of 2016, the installation rate of residential fire detection equipment remained at below 30% nationwide, and was as low as less than 10% in some counties. According to the investigation, the MOI had been focusing its efforts mainly on providing subsidies and conducting a publicity campaign for installation, and had neglected to set up mechanisms for government supervision and for holding residential owners personally responsible for installation. Furthermore, the MOI had failed to coordinate with relevant government agencies with respect to requiring residential owners to undertake installation, and had not provided sufficient assistance for the installation of fire detection equipment in economically-disadvantaged households and in alleys and lanes lacking fire hydrants.

Following the CY's investigation report, the MOI conducted a review of the situation and put forward the draft "Residential Fire Protection Measures 2.0." The measures include setting the target of increasing the fire detection equipment installation rate in Taiwan by 5% annually, and requiring the installation and maintenance of such equipment in newly-



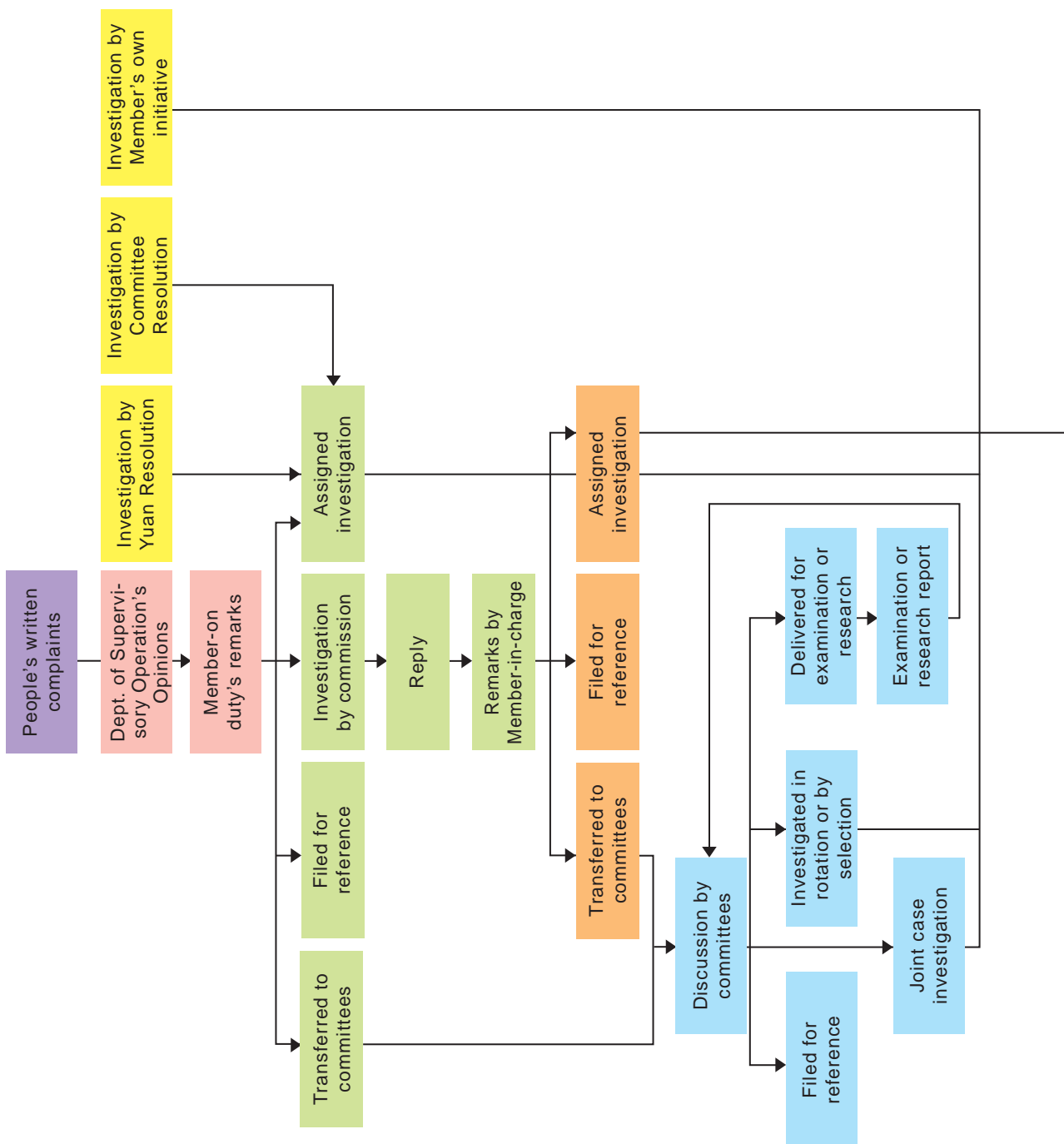
built non-public facilities during license-issuing. They also include increasing the frequency of safety assessment visits to off-campus student rentals, as well as prioritizing public advocacy for installation in narrow locations where fire trucks cannot access and rescue is difficult. Local governments will also implement various measures, such as increasing relevant budgets, integrating private resources and advocating fire safety.

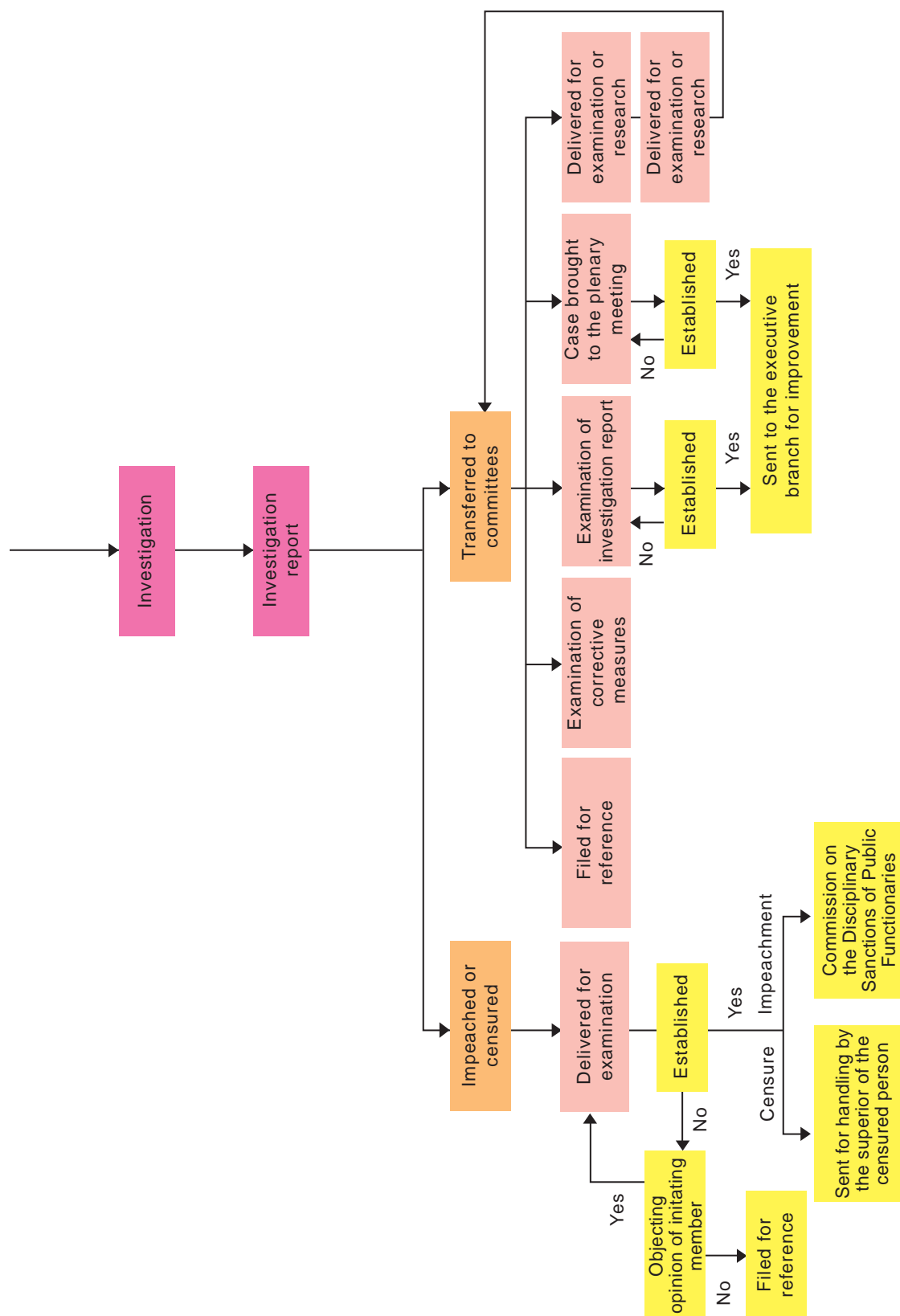
As the institution protecting human rights, the Control Yuan will continue with follow-up monitoring of residential fire detection equipment installation efforts in order to ensure the safety of all the people.

Appendix

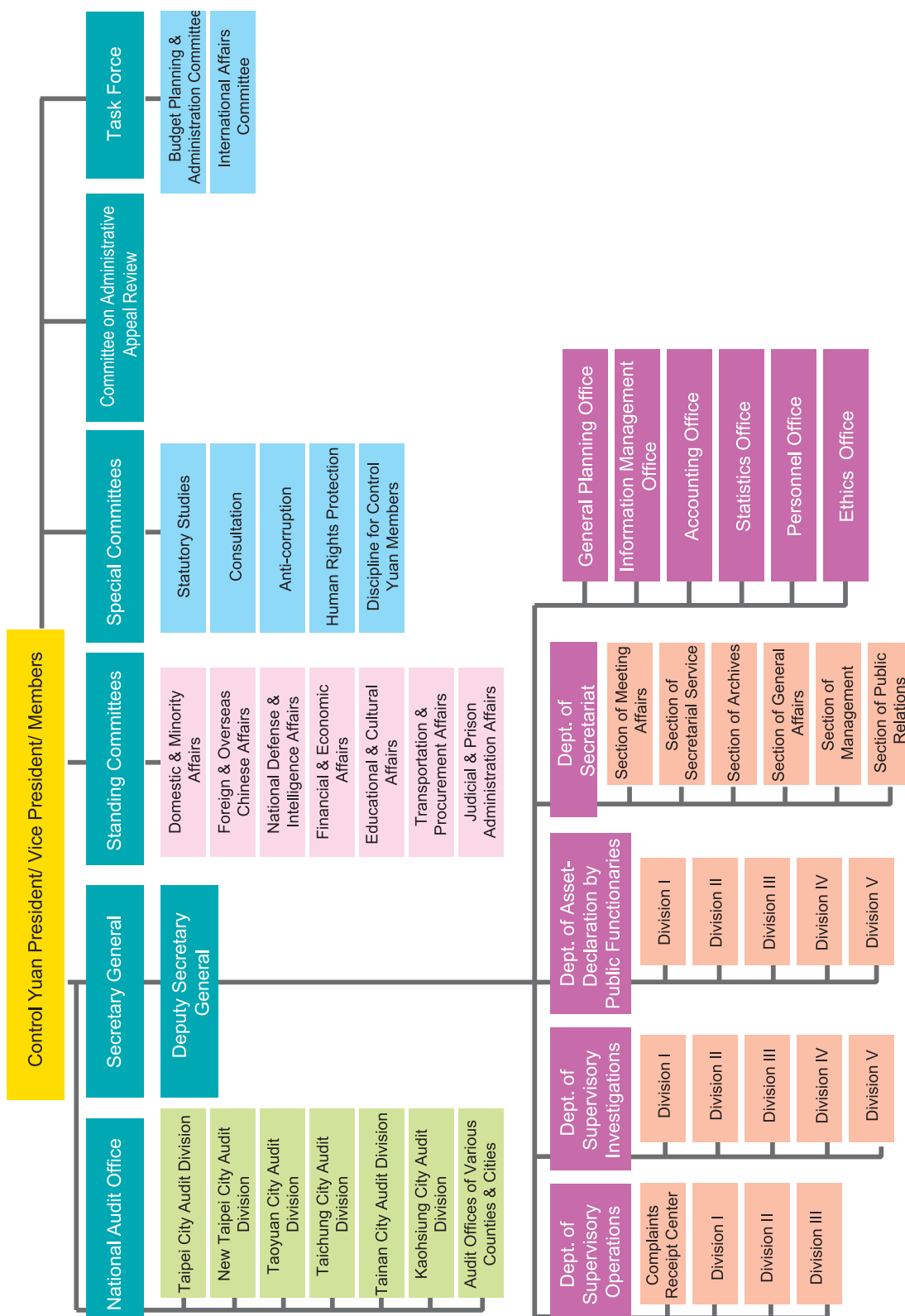


Flowchart of the Exercise of the Control Yuan Powers





Organization Chart of the Control Yuan





Published by the Control Yuan, Taiwan, ROC

No.2, Section 1, Zhongxiao East Road, Taipei, 10051 Taiwan, Republic of China

- ◆ Tel : 886-2-2341-3183
- ◆ Fax : 886-2-2356-8588
- ◆ [http : //www.cy.gov.tw](http://www.cy.gov.tw)
- ◆ E-mail : iac@cy.gov.tw
- ◆ First Edition : June 2018
- ◆ Price : NT\$100
- ◆ GPN : 1010700745
- ◆ ISBN : 978-986-05-6004-6

