

End It from Where It Started

**The Fabricated and Unjust Tai Ji Men
Criminal and Tax Cases**

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The Fabricated and Unjust Tai Ji Men Criminal and Tax Cases

Preface

Jean-Jacques Rousseau, a great thinker during the Enlightenment, mentioned in his *The Origin of Human Inequality* that all human beings are created equal and no one has the power to rule anyone else. However, people conditionally handed over a part of their rights to the state later so that the state could serve all citizens in such contractual spirit. For example, the constitution of Germany was designed primarily to protect the basic rights of people. Therefore, Articles 1 through 19 of the Basic Law all mention that human dignity is inalienable and that neither executive nor legislative nor judicial powers may contradict the basic rights of the people and will be deemed invalid if they do.

Therefore, when a national government violates the spirit of contract and its constitution, when government agencies are complacent with their authority with no regard to human rights and bully the people at will, and when the nature of state powers has been degenerated into state

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violence, should the citizens stay silent and tolerate state violence? Or should they stand up in pointing out the errors of the government, supervising the state powers and protect the basic human rights of the citizens? Our choice speaks to the future of this country and to even the dignity and happiness of everyone.

Where is the demarcation between state powers and state violence? The erroneous and fabricated Tai Ji Men criminal and tax cases, which have not been corrected for 20 years during the reign of six terms of presidency and three changes of government, are typical cases involving human rights violations by state powers.

Professor Tze-lung Chen of the Department of Law of the National Taiwan University pointed out bluntly that the criminal Tai Ji Men case, which broke out in December 1996, and the subsequent unjust tax cases derived from it were deliberately fabricated. A series of absurd measures, from the investigation and indictment by the prosecution to the imposition of heavy taxes and penalties by the tax agencies, obviously indicate that eradication of Tai Ji Men was the only objective.

In the past 20 years since the outbreak of these cases, the Shifu and dizi of Tai Ji Men weathered through the fearful days of uncertainty when Tai Ji Men was almost eradicated. After the third instance decision that exonerated

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all the defendants and confirmed there was no outstanding tax in July 2007, the Shifu and dizi of Tai Ji Men who had been innocently detained by the prosecution received national compensation for wrongful detention in 2009. The Control Yuan also included this case as a major human rights protection case in its Third Consolidated Report on Human Rights Protection. *The ROC Centenary, Taxation and Human Rights White Paper* also included this case as a benchmark tax case which has attracted significant public attention. However, the suffering has not ended, since tax agencies still continue to impose illegal taxes and refuse to cancel tax bills which have been invalid from the very start.

According to Professor Kenneth Jacobsen, renowned human rights lawyer and legal advisor to former President Clinton of the U.S., core member of the Hillary Clinton's team in the Democratic Party, he has studied the unjust Tai Ji Men case for nearly two years and has reviewed relevant materials and legal provisions, but he has never seen a case like this where due process was flagrantly ignored. That the National Taxation Bureau (NTB) has failed to investigate in manners that meet due process not only conjures up fears among the people but is also unbelievable and brings shame to the NTB. The government is definitely obligated to right the past wrongs.

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Criminal punishment and taxation are two major woes inflicted by the state upon its people. In the unjust, erroneous and fabricated Tai Ji Men case, unbridled state powers are like uncontrollable monsters. People in power have wantonly abused criminal and taxation means, trumped up charges and incriminated innocent people, fabricated evidence, manipulated legal provisions, played and framed the people to such an extent that the people have been entangled in their endless pursuit of administrative remedies and the tax agencies have still refused to mend their way even to this day.

Scholars and experts have pointed out that "the unjust Tai Ji Men case is like a mirror that reflects a problematic tax regime which has plenty of inadequacies but cannot be improved," "the Tai Ji Men case is like a magic mirror that reflects the dark side of the judicial and taxation practices in Taiwan," etc. The Tai Ji Men case is not unique. But rather, it is a snapshot of many unjust, erroneous, and fabricated cases created as a result of persecution by hidden state powers.

A democratic country under the rule of law attaches utmost importance to due process with its ethos and legal principles derived from justice done to individual cases. In addition, a system favorable to the country and its people is set up with the evolution of myriads of tragic cases, not to

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mention that justice to individual cases is the most important catalyst for the progression of the system. When the new government of Taiwan came to power, it stressed that it would focus on resolving issues. However, if it still handles such issues in a mindset typical in the era of the old government and like that of old bureaucrats, there is very little hope that the lingering issues from the old era can be resolved and that Taiwan can be transformed into a country where the rule of law prevails.

The Shifu and dizi of Tai Ji Men have persisted in their pursuit of justice, but they are not lonely. The more the people embark on this journey with them, the cry for tax justice and respect of human rights will become more overwhelming, and the awakening of the people will further push the government to pay due attention to the realization of human rights protection and immediate resolution of issues.

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Belated Justice and Basic Taxpayers' Rights

Jien-an Wang

Partner of Beacon International Attorneys at Law

The Tai Ji Men tax case is one of the most well-known cases in the history of tax remedies and in the revolution of taxpayers' rights in Taiwan. I have learned about this well-known case since I studied tax laws in the Fiscal and Tax Laws Section of the Graduate Institute of National Taiwan University. However, in addition to the strange details and evolution of this individual case, what is even more impressive about this is that even though the issues have lasted over 20 years, I still often hear about all kinds of proactive remedies or petitions sought by Tai Ji Men's dizi. In addition to fighting for justice to the individual case, they have continuously dedicated resources to means such as seminars to promote taxpayers' rights.

I still remember that I was a young public law researcher who was enraged by injustice in society and firmly believed that justice would be done if we fought for it. However, after I have been involved in actual work relating to tax investigation and remedies and have witnessed the bewilderment and helplessness of taxpayers who have received audit letters or hefty tax bills from the NTB, I realize that it takes tremendous courage and perseverance for a taxpayer to face an administrative remedy procedure

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characterized by a high threshold, significant costs and low success rates. Therefore, I have always had this question in mind. Even if the Tai Ji Men case is resolved successfully after significant struggles for over 20 years, is this truly justice?

A long time has gone by. As a professional tax lawyer who has devoted himself to taxation practices for a long time, the Tai Ji Men case carries great significance in practice and theory. First, looking at an everlasting tax bill from the 1990s which has not been resolved even today, I am sure that anyone would be very astonished that a disputed tax bill can drag on for so long. This calls into the question whether any law is violated when this has happened. From a legal perspective, the judicial and administrative law regime and practices still allow such unclear legal relations to continue and remain unresolved for over 20. A closer look at the legal reasons that have perpetuated the "everlasting tax bill" only makes them even more unacceptable.

In addition, the tax-related facts of the Tai Ji Men case are relatively simple as compared with most tax cases. Simply put, the issues of the Tai Ji Men case pertain to the "amount of money in the red envelopes for the Shifu and their legal relations." Why has such a relatively simple dispute lasted over 20 years and remained unresolved? Conversely, is it still possible to investigate and ascertain all relevant facts by applying relevant laws after 20 years?

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Under the Civil Code, if the legal relationship is a type of contractual relationship between the parties, the true "intent" of the contracting parties is the most important factor that determines the attributes of the contractual relationship. The so-called "gift contract" and "cram school tuitions" are drastically different in the "intent" of the parties. Why has the tax investigation dragged on for over 20 years, then? After relevant tax dispositions were reversed by court decisions, the NTB reopened its investigation 20 years later to look into the "reasons" for certain behavior of the taxpayer 20 years before. Could the truth be revealed as a result of such investigation? If the truth could not be objectively revealed, why the pressure is still brought to bear on the taxpayers and the NTB is still unwilling to put an end to the taxation procedure pursuant to law? The disclosure of tax-related facts in *End it from Where it Started* clearly shows that the basis for the objective finding of the "amount of money" in the red envelopes is also obviously questionable.

Tax agencies represent state powers and public interest and are endowed with government authority by law. However, since tax agencies are equipped with the power to compel under the law, if such power is wielded wantonly, taxpayers' rights or even survival is very likely to be undermined. Therefore, the law should also limit the government authority for law enforcement. The Administrative Procedure Act contains provisions that

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stipulate equal attention to favorable and unfavorable facts and requires administrative agencies not to stand in the opposite side of the people when they enforce relevant laws. Instead, they should stand together with the people and pursue the maximum benefits of the country together.

However, the above requirements for a country under the rule of law do not exist in the tax laws and their practical operations in Taiwan. Instead, what really exist are defective national laws and biased administrative agencies. If we just look at the requirement for eliminating illegally collected evidence in the Tax Collection Act, Article 11, Paragraph 6 of the Tax Collection Act specifically requires: "A confession unduly obtained by a tax collection authority and in violation of the fact shall not be admitted as evidence for assessment or punishment." Although it seems that a provision exists to exclude illegally obtained evidence, a close look at the constituting criteria of this requirement shows that the illegally obtained evidence should be obtained "deliberately" by unjust means and should be in violation of the fact. In other words, one cannot help wonder if a testimony obtained by torture, water boarding or electrical shock is admissible as tax evidence under the Tax Collection Act of Taiwan if it is consistent with the fact. In contrast to the title of the corresponding chapter heading, which is the Protection of Taxpayers' Rights, such legislation is not only absurd but also ridiculous.

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As a result of issues in the tax laws and practices in Taiwan, a taxpayer cannot seek justice without going through a remedy procedure which is high pressure (since the remedy does not postpone the enforcement, and pressure from administrative agencies is often brought to bear), high cost and high threshold in nature. Is such belated (or even unattainable) justice truly justice? Therefore, as a legal practitioner, a professional tax lawyer and a public law researcher, I strongly urge the enactment of a law dedicated to protecting taxpayers' rights and the establishment of a professional tax court. Since taxation is unavoidable to all citizens, creating a good tax environment with highly predictable tax laws and regulations not only contributes to increased tax revenues of the country but also attracts international investment. The Tai Ji Men tax case reflects belated tax justice, ignored due process, and highly ineffective tax remedies (which give rise to everlasting tax bills). Such tax environment cannot be improved without collective efforts.

I honored the invitation to write this endorsement since I appreciate the long-standing efforts of Tai Ji Men's dizi to promote the protection of taxpayers' rights. I sincerely hope that the tax collection, assessment, and remedy procedures in Taiwan can be more friendly to taxpayers. Let's work together to promote a normal and sound tax regime of this country.

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20 Years of Mistake in the Fabricated Tai Ji Men Case – Whose Fault?

Jin-sheng Wu

Publisher of the Brain Magazine

For a 20-year fabricated, erroneous and unjust case like the Tai Ji Men case, it is absolutely reasonable to suspect that this is not the only case. However, how many such fabricated and erroneous cases still exist in Taiwan, which is supposed to be a country under the rule of law? Why do they happen? These are live cases where the citizens are bullied by the government under the pretext of exercising government authority and merit in-depth exploration of legal practitioners and ordinary citizens.

People in Taiwan generally mind their own business as part of the mass culture in Taiwan and are indifferent to the government's illegal and unscrupulous exercise of government authority and persecution of its citizens. On the surface, although the NTB's power abuse and persecution have nothing to do with any of us, if we do not pursue the government's liability, correct the issues and right the wrongs, such unbelievable persecution will fall on our shoulders one of these days. The victims certainly include you and me.

These are systemic and structural criminal acts committed by the government and should be taken seriously.

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Since there are victims, the wrongdoers should be identified and confess their crime before they can be forgiven. Our tolerance of injustice simply makes us their accomplices.

On May 20, 2016, a new government finally came to power with full control of all branches of the government. As a result, it is finally possible to do justice to such a deliberately fabricated case which was trumped up to eradicate Tai Ji Men and has dragged on for over 20 years by fully exposing the dark side of the NTB and the judiciary.

Although *End it from Where it Started* only consists of 130 pages, still it truthfully explores the entire evolution of the fabricated Tai Ji Men case as well as all reasons and true facts in the past 20 years with powerful language and solid evidence. Everyone who pays attention to basic human rights in Taiwan should have this book for the sake of research and exploration.

If injustice fueled by our indifference is rampant before all of us, we will be all responsible for such injustice. While sin is the humiliation of the people, justice makes a state noble.

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Establishment of the Tax Court – So What?

Shih-meng Lin

Director of King Stone Attorneys at Law

Whether it is necessary to set up a tax court in the administrative litigation regime is a debatable issue. However, I personally believe that whether administrative judges are clearly aware of their roles under the Constitution and whether they are knowledgeable about the Constitution and realize that the nature of the judiciary is to protect civil rights are the reasons why the citizens only enjoy single-digit success rate in tax litigation and why tax cases have accounted for the greatest percentage of judicial interpretation cases handled by the Grand Justices since the Martial Law was lifted in Taiwan. Nothing can be achieved by the law alone, as reflected in many cases in the past.

During the reform of the administration litigation regime on July 1, 2000, I served as a judge in the Kaohsiung High Administrative Court for four years and one month. The first decision I rendered was a gift tax case (case number: 89-Su-331) and the last case I tried pertained to violation of the Statute for the Administration of Electronic Arcades (case number: 93-Su-348). In both cases, the citizens prevailed, and neither the NTB of Kaohsiung City nor Kaohsiung County Government appealed, and these cases were concluded by the first instance decision. If my

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information is correct, administrative agencies amended and added administrative regulations as a result. Later, I pursued a new career in life and have become a lawyer for 12 years and contributed to eight judicial interpretations.

A country with a solid judiciary is definitely strong. If the administrative court, which is the last resort for protecting human rights, is solid and effective, the country is definitely strong. A well-known public law scholar once shared his observations with me, stating that administrative courts are currently the greatest handicaps to democratic development. Hearing that, I was very uneasy for quite a while. Whenever I think of what he said, I always reflect upon myself and ponder if I played my role in ensuring that administrative agencies conduct their administration pursuant to law, if I neglected the mandate and principles under the Constitution, and if I have done my best to promote human rights protection as a lawyer.

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Never-ending Pursuit of Justice

Tsan-tu Lin

Assistant Professor of Department of Law of Aletheia University

The book entitled *End it from Where it Started – Fabricated and Unjust Tai Ji Men Criminal and Tax Cases* depicts in detail the unjust Tai Ji Men criminal case, which broke out in December 1996, and the unjust tax cases derived from it. I am sure that whoever reads this book will feel saddened and perplexed, because although Taiwan has joined the rank of countries under the rule of law after lifting martial law, it is indeed quite regrettable that such criminal and tax cases which have seriously undermined human rights should have ironically taken place and that Tai Ji Men's Shifu and dizi are still persecuted continuously.

Unlike ordinary citizens who nowadays tend to resort to emotion-packed protests and struggles when they are wronged or suffer from injustice, Tai Ji Men's Shifu and dizi, who have suffered from grave injustice, have chosen to seek remedies for the unjust, erroneous and fabricated tax cases pursuant to legal procedures in rational and peaceful manners. Although over 20 years have elapsed, their relentless pursuit of justice has persisted, and this is truly admirable. This also shows that Tai Ji Men is a decent martial arts academy and its Shifu and dizi are law-abiding modern citizens who are truly good examples for all citizens.

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When the New Government has ushered in a new era, I sincerely hope that the protection of judiciary human rights and taxpayers' rights can be greatly improved, that the unjust, erroneous and fabricated Tai Ji Men case can be resolved as soon as possible, and that justice can be done to Tai Ji Men's Shifu and dizi.

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Persistence Brings Hope

Hsien-chih Chiu

Hsuehku Nanjung Law Offices

As a lawyer, I am most concerned about the scene where a client walks into my office, saying: "I am innocent," because this always saddens me. Being wronged is a very saddening thing, and this is what the Tai Ji Men case is all about.

If you want to understand the law, it is not the right approach to learn about the process in which certain legal provisions apply or to identify the legal provisions that may be relevant. The law is made by people. What really matters is the story behind it and the plot of the story. For example, if I owe you money, what is my motive, if any? Do I intend to buy from you? Is that a consideration for my service? Is that a gift? You have to explore the plot of that story. This is not a question of money. As far as the parties are concerned, this is a matter of good faith and intent. If we do not seek an interpretation in the plot of that story, it is impossible to explain why people engage in so many different acts.

For 20 years, the Tai Ji Men case has been in a state of uncertainty in terms of cancellation and imposition of taxes. Why is the NTB unable to resolve this? This matter is very simple. The factual basis is simply wrong. No one in their right mind would sacrifice so much of their time and spend money out of their own pockets to join their Shifu in

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cultural promotions, not to mention that so many people took leaves of absence so that they could sit in during court hearings. The NTB should try to understand the sincerity reflected by the red envelopes by reconsidering the nature of cultural, martial arts, qigong and self-cultivation organizations. In addition, there has been no other incident where any individual has ever been taxed for any monetary gifts from dizi. In Tai Ji Men's case, it was taxed only during six years from 1991 through 1996 due to the prosecutor's indictment and referral of this matter to tax agencies. Tai Ji Men was not taxed before that and is not taxed after that, either. This organization still exists today. Its dizi do not leave.

The NTB imposed taxes based on the criminal materials from Kuan-jen Hou. Today, the criminal case has been concluded after three instances of trial, and it has been concluded after full investigation that the red envelopes were not profit-oriented or criminal proceeds and were not taxable. Although the factual examination of the criminal case has produced very clear results, the NTB still insists on slapping taxes. This violates the principle of equality. In fact, the point does not only lie in the principle of equality. The truth is that no tax should have been imposed in the very beginning. An administrative agency should render a disposition based on correct facts, since the disposition rendered by a government agency has major impact on the citizens.

Initially when this case just broke out, there were

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large-scale raids, investigation (interrogation) with all materials copied by the NTB. Still, the NTB requested corroboration. Obviously, the obligation to corroborate has been misconstrued as the obligation to prove an individual's own guilt. The Taipei High Administrative Court and the Supreme Administrative Court both pointed out in their decisions that the NTB's evidence was flimsy. Particularly, the investigation report prepared by the Control Yuan in 2002 pointed out that the prosecution had eight major violations. Since this was new evidence, the NTB should have considered and made a new determination.

Regardless of the Tai Ji Men case or the discharge of a teacher by the name of Hsiao-ling Hsiao in Taipei City, if the administrative agency believes it has broken the law, it can certainly voluntarily cancel its disposition. There is no law or legal regime that requires or encourages an administrative agency to hold on to its errors. Taiwan is a country under the rule of law where administration pursuant to law is valued. If the administration is not lawful, the agency should certainly mend its way. Therefore, if an administrative disposition has been confirmed to be erroneous, the administrative agency should voluntarily cancel the disposition in accordance with Article 117 of the Administrative Procedure Law.

The Tai Ji Men case also involves a violation of the right to associate, which is a basic right itself. In a democratic and free society, small groups are the sources of enlightenment for democracy. However, the exercise of

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government authority by the prosecution and the NTB has inflicted major harm upon Tai Ji Men. The NTB's tax disposition is a violation of the freedom of conscience of individuals.

In a democratic and pluralistic society, the existence of all kinds of religious and faith organizations reflects the exercise of basic human rights such as the right of faith and freedom of conscience. These organizations should be respected pursuant to the Constitution. Prosecutor Kuan-jen Hou pressed charges based on his bias against the congregation of a group of people. After the court has exonerated the defendants, government authority should have been exercised in a way that puts an end to this as soon as possible. It is not permitted under the Constitution to use taxes or other means to violate the freedom of conscience of individuals.

Resolving unjust and erroneous cases is part of social movement. We do not persist because we see hope, but rather we see hope because we persist. In fact, many unjust and erroneous cases in Taiwan are projects of hope, which should be implemented continuously even though it oftentimes seems hopeless. In fact, we do not persist because we see we can win, but because this case reflects injustice and needs to be resolved. I hope that we can contribute to better law-abiding society and rule of law in Taiwan.

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***Historical Materials Worth Reading:
Long-standing Struggles for
Taxpayers' Rights***

Yong-ming Chang

Professor of the Department of Economic and Financial Law,
National Kaohsiung University

I started to learn about Tai Ji Men from negative news around 15 years ago while I was teaching at Aletheia University in Tamshui. I was teaching religion-related administrative law and drafted papers relating to the financial management of religious organizations. When searching current news, an eye-catching headline like "Tai Ji Men Defrauding People of their Money" popped up. This was a social incident no researcher could afford to ignore. Seeing splendid and magnificent temples during family outings on holidays, I always feel plain glass spectacles have coloring effects. Later I started to familiarize myself with tax laws because of my teaching and research needs. Like most tax law scholars, I have gradually noticed that during professional and academic seminars organized by academic tax law communities, there are always a group of people sitting quietly and attending the entire sessions in the audience who are professionals, technicians or successful entrepreneurs themselves as well as younger people who are quite pleasing to my eyes. Whenever they have a chance to offer their comments, they are very active in raising issues

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concerning the themes of the seminars and the application of laws in the Tai Ji Men tax case. In the beginning, I felt that academic seminars should deal with general legal issues rather than the resolution of individual cases, since when the facts of such cases were unknown, scholars were hesitant in offering their comments. All of a sudden, my myopic eyeglasses had wonderful functions.

However, it is not hard for academic researchers of tax laws in Taiwan to realize that even after they have studied the provisions of individual tax laws, they are still unable to understand the actual operation of tax matters and the basis for the ultimate adjudications on the disputes. The reason is simple. Although there are myriads of tax provisions, they are nowhere near the number of their associated interpretative circulars from the Ministry of Finance. Although each interpretative circular appears to be similar to abstract legal provisions, still it is issued to address an individual case between a lower agency and citizens and is applicable only to such case. However, in the hierarchical administrative tax system and in the absence of legal practitioners well-trained in tax laws, the situation where the Taxation Administration of the Ministry of Finance decided everything continued for a very long time. As a result, a solution to Case A was followed and applied to Case B even though such application was harmful in Case B. Nevertheless, this practice was still followed doggedly.

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Therefore, to avoid errors as a result of limited understanding, the disputes of individual cases should be clarified and understood in the research and study of tax laws in Taiwan.

All kinds of media convey very biased views of the Tai Ji Men incident, and they are sources of pain and joy for atheistic academic researchers. I am happy to see that Tai Ji Men's dizi have described to the public the whole story about the tax disputes of their organization in peaceful, open-minded and legitimate manners for over 20 years. I would like to convey my admiration that when fighting for the legal rights of their organization, they have also promoted and encouraged the establishment of a comprehensive tax regime, the review of taxation practices, the popularization of basic tax law knowledge and academic tax law research. I will also continue to observe from the perspective of a neutral bystander, believing that such an organization capable of attracting professionals and talents from all walks of life should be an organic entity underpinned by its principles and tenets, which it is also capable of defending. Short as life is, life is actually not too short. When one embarks upon a journey, significant trails are always left behind. There are good and bad lucks. Occasional setbacks do not translate into eternal doom.

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When Will a Ray of Justice Appear?

Yi-nan Chen, Arbitrator and Patent Engineer

16 Years Ago

When the presidential election was conducted on March 18, 2000, Mr. Shui-bian Chen, the President-elect at that time, put forward a white paper on judicial reform during his election campaign to convey his philosophy and views on Taiwan's judicial reform. He stated: "(1) The judiciary should be positioned on people-centric basis, which means the judiciary exists for the people and is supposed to serve and protect people, not to suppress people, and (2) the objective of judicial reform is to set up a judiciary which is clean, fair, efficient, humane and respect human dignity."

In fact, these are not only the people's requirements and positioning of the judiciary but also the basic tenets and reform objectives of Taiwan's judicial reform. 16 years have elapsed. When I reread this white paper, I noticed that the new government is pushing for judicial reform again. Let's wait and see what the results will be.

Awakening Power of the People

This book enumerates four major issues, including the motives, procedures, evidence collection, arguments and

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objectives, and six items of fabrication, including the victims, informants, facts of victimization, basis of indictment, basis of taxation and taxed amount. In addition, 20 absurdities (see this book) are listed. The tremendous efforts made by Tai Ji Men's dizi in their pursuit of love and peace and realization of fairness and justice in the past 20 years are truly admirable.

Lawyers often say that when a man is prosecuted, even if he is innocent, all legal procedures should still be completed. Even if he believes in his innocence, he still has to face the trial and treat it like a training program for which he pays a tuition to learn about the current criminal litigation system. However, this payment requirement is quite brutal and unjust to a group of innocent people, and the same is true with the NTB's persecution in the form of false tax bills. However, from another perspective, the years of relentless efforts of Tai Ji Men's dizi to pursue justice demonstrate the awakening and strength of the people, which is somewhat comforting.

When Will a Ray of Justice Appear?

That the Tai Ji Men tax case is still unresolved is more or less related to the current "dichotomy" of the judiciary in the sense that administrative courts and criminal courts (general courts) cannot carry out "integrated" functions of

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the judiciary. Since administrative court decisions affect administrative dispositions of administrative agencies, the "everlasting tax bills" in the Tai Ji Men tax case are created.

A reading of a news report entitled *Wen-ting Hsien: I Weathered through the Dictatorship Era without Ever Abusing My Authority* on the July 31 issue of the Liberty Times calls into question why judicial practitioners are not defenders of human rights and implementers of justice. In particular, it was pointed out in this article that "facing the distrust in the judiciary among ordinary people, Hsieh also defended judges by stating that most judges worked very hard with much improved integrity and did not perform so poorly as alleged by the public." At that, the people who still put their hopes on judicial reform and transitional justice may still have much more to hope for. The thought of when a ray of justice will appear is truly daunting.

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***Best Textbook Materials Illustrating
the Schizophrenia of Taiwan's Politics***

Fu-long Lien

Director of the Taiwan Association for
Financial Criminal Law Study

I am very delighted at the publication of a book on the oppression and bully of the people by the executive branch of the Taiwan government when Tai Ji Men celebrated its 50th anniversary.

When the Second World War ended, a core issue during the Nuremburg trials was whether a state was capable of committing a crime. The answer was affirmative. All Nazi officers stated during the trials that they were soldiers, whose duty was to obey orders. Therefore, they were not guilty since they had performed their duties pursuant to their superior's orders. However, most of them were still sentenced to death. The Nuremburg trials at least proved one thing: the crime committed by a state is all-encompassing and is also structural in nature.

The German Pope stated during his speech in the parliament that if a government or a country oppresses and bullies its people with its powers and is corrupt, then it has become an organized group of bandits. The tax agencies of the Republic of China have oppressed Tai Ji Men for over 20 through illegal means with no official offering any apology even to this day. Does that mean that the Republic

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of China is an organized bandit government? The government is supposed to explain to the people how illegal tax bills were issued through illegal means and to record the entire history.

The Tai Ji Men incident is not an individual case, since there are thousands or even tens of thousands of illegal tax bills issued by tax agencies in Taiwan every year. We should feel fortunate that Tai Ji Men's members have withstood such oppression with undivided solidarity and extraordinary patience and have exposed such oppression to the international community and to other countries in the world. This is very helpful to Taiwan. Although Taiwan is not a member of the United Nations, the international community still is informed through Tai Ji Men's efforts that Taiwan's democracy and constitution are false and the executive branch of the Taiwan government does not exist to serve people but to oppress people instead.

In the 21st century, we need a political system with open and transparent executive, legislative and judicial powers. Although we adopted international human rights conventions in our national laws in 2009, still human rights are not actually protected in a political system with separation of executive, legislative and judicial powers. Therefore, this is nothing but a self-deceiving measure and has no substantive significance. We refer to this as a schizophrenic political structure. The unjust Tai Ji Men case is the best teaching material that showcases the schizophrenic state of Taiwan's politics.

In addition, the supervision of the legislature over the

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executive power is totally ineffective, and decisions rendered under the judicial power are not binding to the executive power. The three government powers operate separately without any check and balance. This is the most accurate depiction of the schizophrenia of Taiwan's politics.

Moreover, Taiwan's Constitution is a constitution prepared by colonialists, not by the Taiwan people. That's why the Taiwan law has suffered from schizophrenia beginning with the Constitution.

Furthermore, lawmakers in Taiwan have lacked compassion and care for the people. Therefore, the laws they make aim to punish rather than serve the people. This shows the schizophrenia of the legislative power.

Additionally, Taiwan's judiciary does not care about and is indifferent to justice but is more interested in rights and interests. This indicates the schizophrenia of the judicial power in Taiwan.

In addition, since the executive power in Taiwan is too powerful, it treats the people as the target of control and supervision rather than the recipients of services when the executive power is exercised. This showcases the schizophrenia of the executive power in Taiwan.

Also, the people of Taiwan have forgotten that they are the masters of the country after being ruled by colonialists for a long time in the past and have stayed inert under the political powers of the rulers. This represents the schizophrenia of the Taiwan people.

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Finally, business conglomerates and businessmen in Taiwan attach too much importance to the pursuit of interest and have forgotten the importance of employee services and of compassion to their workers. They are interested in profits only and treat workers as their exploitation targets. This represents the schizophrenia of the businessmen and business conglomerates in Taiwan.

Fortunately, the long-awaited legislation for the transitional justice concerning assets of political parties, which had been shelved hundreds of times, finally cleared through the Legislative Yuan a few days ago (July 25, 2016). Although people in general are not very hopeful of the amount of improper assets of political parties that can be recovered, still the Legislative Yuan demonstrated extraordinary sincerity by at least adopting the bill. This attests to the great sincerity and the aggressiveness of the new government in its pursuit of transitional justice. In comparison, the handling of improper tax cases should be relatively simple and easy. We hope that the new government should proactively address all previous unjust cases to clear the name of the people who have been wronged, including, of course, the unjust Tai Ji Men case, in order to truly achieve transitional justice.

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A "Heartfelt" Perspective of the Tai Ji Men Tax Case

Hong-long Huang,
President of the Forensic Accounting Research
Development Association

The tax issue about Tai Ji Men (also known as the issue of "everlasting" tax bills) is an old tax issue. No matter how many times illegal "decisions on re-assessment" which imposed taxes illegally were set aside by the superior organization (the Petition and Appeals Committee of the Ministry of Finance) or judicial organizations (the high administrative courts), the original disposing agencies still adhered to their mistakes (perhaps they had to since they were constrained by the system or because relevant officials have been replaced). On the basis of the immovable "original administrative disposition," "decisions on re-assessment" that consistently upheld original assessment almost in its entirety were repeatedly rendered, thus giving rise to "everlasting tax bills."

Scholars generally believe that taxation is part of "massive administration." Therefore, it is quite common that tax-related facts are presumed. However, this not only violates the spirit of Roman Law but also contravenes the principle of taxation prescribed by law. For disputed cases between tax agencies and taxpayers, particularly those which have been set aside for reassessment, they are no longer part of massive administration and should not be

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handled with a "winning" mindset. Instead, a reasonable and thoughtful attitude should be adopted. Otherwise, justice cannot be done to individual cases, and no right can be effectively remedied.

I could hardly fight back the tears in my eyes when I noticed that President Tsai has proposed to create a new country underpinned by profound social values with a people-centric approach that considers the needs and dignity of the people, since this thinking reflects the philosophy of a country under the rule of social law where a country is obligated to take care of its people. I really look forward to the realization of this philosophy. In a "heartfelt" perspective of the whole story of this case, although this is nothing less than an ordeal which has lasted over 20 years, still the issues reflected in this long-standing case translate into opportunities, since the die-hard tax habits depicted in this case and the reform momentum which has been accumulated as a result of this case provide the most important nutrients that nourish the new government's tax reform.

My beloved teacher Professor Hui-tsung Li gave me a book authored by Rudolf von Jhering and entitled *Fighting for Rights* (translated by Professor Wen-hsiung Lin). I always feel excited, intoxicated and invigorated whenever I come across the passage: "the purpose of law is peace, even though the means relied on is struggle." I think the Tai Ji Men tax case is indubitably the best example of such struggle. I really look forward to fruitful results of this case.

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***End it from Where it Started Depicts
Existing Blind Spots in Human Rights
Protection in Taiwan***

Hsing-yi Fu

Deputy Secretary General of the Taiwan Bar Association

The unjust tax case depicted in the book entitled *End it from Where it Started* clearly exposes the serious harm of government authority to human rights in Taiwan, resulting in serious regression of Taiwan's world rating in human rights protection. Although the Tax Collection Act specifically provides that taxpayers are obligated to assist with the tax collection by the Ministry of Finance and the NTB, which are agencies with powers, powerful state agencies as such in practice evade their duty to assume the burden of proof under the pretext of a taxpayer's obligation to help with tax collection. If taxpayers fail to use their best efforts to provide assistance, tax agencies are allowed under relevant laws and regulations to subjectively "remove expenses" or "assess taxes based on presumptions," causing great disadvantages to taxpayers. However, the collaboration obligation of taxpayers should also be constrained by the principle of proportionality under Article 7 of the Administrative Procedure Act. The exercise of taxation authority by a country under the rule of law should meet the requirements of due process and the principle of proportionality to actively carry out the core value of tax justice.

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Therefore, tax agencies are obligated to accurately apply applicable tax laws and carry out diligent investigation ex officio while protecting tax-related public interest and taxpayers' rights. In case of material defects in tax administration authority, the administrative agencies concerned should also admit their mistakes and set aside illegal administrative dispositions ex officio pursuant to Article 117 of the Administrative Procedure Act and cancel, revoke or change the original disposition under Article 128.

There are still many tax cases in which human rights are violated in Taiwan. However, it is very disappointing that there has been no administrative agency that has ever set aside its illegal and inappropriate disposition ex officio, taken other measures or proactively granted remedies for violation of rights pursuant to the Administrative Procedure Law to realize tax justice.

It is my sincere hope that *Injustice* can unveil the autocratic abuse of power by civil servants in Taiwan and bring a ray of hope to the realization of social justice, and that the light of fairness and justice can shine on all aspects of human rights.

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***Restoring the Legality of Tax
Administration from the Tai Ji Men
Tax Disputes***

Meng-yen Tsai

Adjunct Assistant Professor of
National Taipei University of Business

Article 19 of the Constitution provides that the people are obligated to pay taxes pursuant to law. Although this means that the people are obligated to pay taxes pursuant to the requirements for taxpayers, tax items, tax payment methods and tax payment periods defined by law, still when the laws that impose tax liabilities on the citizens are applied, if the matters prescribed by such laws include interconnected rights and obligations, such laws should not be readily split up for application to maintain the integrity of application of laws and the balance of rights and obligations, as specifically indicated in Judicial Interpretation No. 385. Therefore, when the applicability of laws or constituting criteria under tax laws is considered, attention should be paid not to split applicable tax laws. Otherwise, this will violate the above-mentioned judicial interpretation.

However, in the tax litigation process involving Tai Ji men, we can see that tax authorities reached absolutely different conclusions in their interpretation of tax laws with respect to the same facts. For the consolidated income taxes payable by the sanctioned individual and his wife in six tax

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years from 1991 through 1996, 50% of the income at issue was regarded as gifts, and Tai Ji Men was not considered a cram school, except for the consolidated income tax assessment and penalty incident in 1992 when all of the income at issue was regarded as tuitions whose income tax was assessed based on the net income rate of cram schools. As a result, the same basic fact corresponded to different determination of the constituting criteria under the tax laws. Since the criteria required under tax laws were split for separate application, this was an obvious mistake.

End it from Where it Started contains clear explanation about the different determination by tax agencies under tax laws with respect to the same fact and comprehensively records details about the illegality of the ex officio investigation conducted by tax agencies. After reading this book, one cannot help worrying about whether the tax administration in Taiwan actually follows relevant requirements for tax administration under the Tax Collection Act and the Administrative Procedure Act. It is not sufficient to have appropriate laws alone. The understanding and implementation of legal spirit by law enforcements are more important.

On the other hand, Grand Justices have specifically set forth the ability-to-pay principle in past judicial interpretations and confirmed that the ability-to-pay principle is the substantive essence of tax payment pursuant to law and is a constitutional tax principle like the principle of substantive taxation. Under the concept of the

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ability-to-pay principle, the economic payment ability of a taxpayer should be reflected in income tax collection. In addition, since income taxes are periodical taxes, which should be assessed pursuant to tax laws on the economic activities at issue over a definite cycle due to the constraint of taxation techniques, still the basic facts relied on to determine whether tax criteria are met should be continuous and consistent. In this case, the assessment of the income at issue of the sanctioned individual and his spouse by tax agencies resulted in divergent results for 1991, 1993 through 1996 and 1992 with respect to the income type in spite of the same economic facts involved. This violated the principle that economic activities should be consistent. If tax agencies insisted on treating the same income type differently for different years, they should have performed their investigation duties and assumed the burden of proof with respect to the differences between such income type and the income types in other years. This book also suggests that the tax agencies' capricious manners of investigation and findings of taxable income cannot help convince taxpayers of the fairness of the tax administration and may even call into question if the tax administration is only focused on tax revenues with total disregard to the basic rights of taxpayers.

After such basis adopted by tax agencies in finding facts and applying laws is understood, it may be suspected that the legality of any disposition rendered by the tax agencies does not exist from the perspective of tax laws. For

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a disposition which is rendered based on split up facts in violation of the ability-to-pay principle, the tax agency that renders such disposition should understand the legislative objective of stipulating the requirement to set aside the original disposition under Article 117 of the Administrative Procedure Act and to reopen the procedures under Article 128 of the same law when such provisions were formulated by lawmakers. Such disposition should be cancelled pursuant to the above requirements to restore the legality and credibility of tax administration instead of rejecting the rights taxpayers may assert under the law by holding that administrative agencies have discretion as to whether to exercise the right to cancel such disposition or by rendering an interpretation that limits the reopening of applicable procedures.

Since tax administration is standard high power administration, such high power administration for taxation should be conducted on legitimate basis. Failure to convince taxpayers whose property rights are constrained with law and reason will result in endless litigation between the tax agencies and taxpayers. To restore the credibility for high power taxation, tax agencies should voluntarily set aside illegal dispositions to eliminate futile lose-lose situations for tax agencies and taxpayers as a result of litigation. It is my sincere hope that the publication of this book will cause tax agencies to be willing to face their past mistakes and render lawful dispositions that safeguard taxpayers' rights in accordance with law.

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Justice Will Be Done

Hong-hui Cheng
Certified Public Accountant

I still remember that I had not learned about the Tai Ji Men tax case until I attended a tax law program taught by Professor Chun-Chie Huang of National Chung Chang University over two years ago. Later when I was enrolled in the in-service master's law program in National Chengchi University, I also used this case as a focus of my research paper for my study in a class on administrative remedy laws. In the beginning, I only used this unprecedented strange tax case since the founding of the Republic of China to highlight administrative remedy issues. Later, the more I looked into this, the more I detected unjust and unfair aspects of Taiwan's tax regime. This case highlights the following unreasonable areas in Taiwan's tax regime.

1. The tax disposition in this case was rendered in reference to relevant evidence found in its criminal case. However, the criminal case was finally resolved with the defendants acquitted. In addition, it was later confirmed that the collection of the evidence for such criminal case involved illegal raids and searches. However, tax agencies did not render any legally appropriate and amended disposition over the taxpayer in response to the criminal decision. This seriously undermined the taxpayer's rights.

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2. In this case, a conclusion was reached during the inter-ministerial meeting conducted by the Executive Yuan on December 9, 2011. Public law scholars in Taiwan all believe that this is an administrative contract. Noticing that the outcome of carrying out the administrative contract (responses provided by the dizi in the survey forms) was unfavorable, the Ministry of Finance changed its statement and stated that it did not recognize the results of the meeting, thus wiping out the credibility and authority of administrative agencies. What is even more unbelievable is that there is no mechanism that sanctions any violation of such administrative contract. How can the people trust the government this way?

3. The success rate of administrative remedy litigation between ordinary citizens and tax agencies is almost less than 10%. However, the success rate of Tai Ji Men's administrative remedy cases was almost 100%. Nevertheless, the administrative court did not render final decisions and only reversed decisions on re-assessment rather than the original dispositions and remanded the cases to the original tax agencies for legally appropriate dispositions, resulting in the strange situation where the original disposition still exists when the taxpayer has won the litigation. The original disposing agency should have re-investigated the evidence, but the NTB is often not bound by court decisions (Judicial Interpretation No. 368 states: "For a decision that sets aside

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the original decision and disposition, if the opinion on applicable laws is at fault, such agency shall be bound by such decision.") and merely reissues the tax bill containing a somewhat reduced tax amount. There are even instances where a tax bill was still issued even though the 5-year or 7-year tax collection period had expired, forcing taxpayers to reinitiate the taxation remedy procedure. This has resulted in the phenomenon of "everlasting" tax bills and made it impossible for the Tai Ji Men case to be closed after nearly 20 years of litigation.

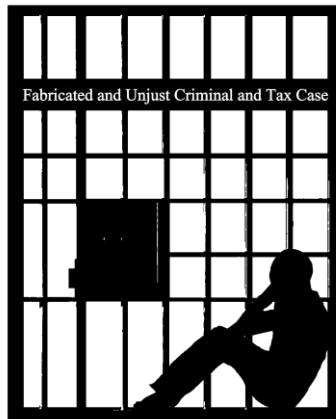
This case highlights seriously unreasonable aspects of Taiwan's tax regime, which have significantly undermined the property right and litigation right of the citizens under the Constitution. Here I would like to share the afterthoughts of Shih-meng Lin, a lawyer retained to fight the Tai Ji Men tax case, in his Facebook on the day when he obtained a victorious decision (which I believe is just an illusory victory in reality): "During the oral arguments at the Administrative Court on February 25, 2015, I mentioned that the Plaintiff was willing to spend 20 years in legal battles because he believes that tax justice will be done and enthusiastically expects Taiwan to be a country with tax justice where people pay their due taxes but not a penny more."

Finally, I hope the publication of this book can highlight the importance of taxpayers' rights.

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***Fabricated and Unjust Tai Ji Men
Criminal and Tax Cases***

I. Deliberately fabricated false case



Scholars and experts have pointed out that the unjust Tai Ji Men cases began 20 years ago (including criminal and tax cases) are deliberately fabricated.

In November 1996, the Kaohsiung District Prosecutors Office and the Hsinchu Prosecutors Office separately searched Tai Ji Men's chapters and summoned individuals concerned for interrogation. No illegality was found. Ignoring investigation results, Prosecutor Kuan-jen Hou

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mobilized hundreds of prosecutors, police officers and investigators nationwide to conduct searches with loaded firearms on December 19, 1996, thereby effectively violating the no double jeopardy principle. What soon followed was a series of investigational procedures that violated basic human rights, legal requirements, and legal principles. This entire tragic journey was fraught with fabrication, fallacies, contradictions of facts, procedures, and even evidence.

Subsequently, Prosecutor Kuan-jen Hou leveraged a false testimony of a tax collector to indict innocent individuals based on fabricated offenses of fraud and tax evasion. On one hand, he falsely treated the proceeds as fraud and requested the court to forfeit it. On the other hand, he asserted that those proceeds are cram school tuitions and business revenues, and referred such matter to the National Taxation Bureau (NTB) and requested a tax bill to be issued. After receiving the case referred by the prosecutor, the NTB neither investigated the case, which was its duty, nor did it provide any opportunity for individuals involved to provide explanations. Tai Ji Men was directly labeled as a cram school, and was forcefully taxed and penalized in violation of law merely based on the indictment. After Prosecutor Hou indicted this case and transferred this matter to the court for examination, he further went beyond his authority by issuing letters to the Ministry of the Interior and county

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and city governments to shut down and dissolve Tai Ji Men. He concurrently pursued criminal indictment, heavy taxes, and administrative close-down to purge and destroy Tai Ji Men.

As a result of administrative remedies, the Ministry of the Interior and all county and city governments became aware of Tai Ji Men's legal status and canceled all administrative dispositions that shut down and dissolved Tai Ji Men in 1999. In addition, none of the facts and evidence asserted in Prosecutor Hou's indictment was accepted by three instances of the courts after their meticulous examination. On July 13, 2007, a final decision was rendered to find the defendants not guilty of fraud, tax evasion, and violation of the Tax Collection Act. The decision also held that since the red envelopes provided by the dizi to their Shifu are gifts in nature, they are tax-free income under Article 4, Subparagraph 17 of the Income Tax Act," and "items such as costumes for practicing qigong which were collectively procured by a few dizi on behalf of others were not profit-oriented sales" and had nothing to do with the Shifu and his wife. Although the indictment not accepted by the court eventually lost its effectiveness for proving any fact, the NTB still insisted on citing the indictment as the basis of taxation and even falsified survey results and concealed evidence to levy taxes forcefully. Thus, the judicial persecution derived from crackdown on religious cults has become a prolonged and illegitimate

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pursuit of heavy taxes, which has dragged on for over 20 years.

To address Prosecutor Hou's illegal and abusive interrogation of Tai Ji Men, three members of the Control Yuan proactively investigated the case. In addition, a joint resolution was adopted by 15 members of the Control Yuan with the outcome of the investigation announced on March 4th, 2002 when the investigation opinions were released via the (91) Yuan Tai Si-Tzu No. 0912600349 Circular. Eight major legal violations were listed, namely, the violation of the principle that ongoing investigation should not be disclosed to the public, illegal searches, illegal freezing of assets, acting beyond the prosecutor's authority by ordering county and city governments to shut down Tai Ji Men's chapters in violation of the Code of Criminal Procedure, serious violation of the defendants' rights and interests, impairment of a prosecutor's image of fair and just law enforcement, etc. The Ministry of Justice was also requested to take strict disciplinary action. The Control Yuan also concluded that the indictment was contradictory to evidence, and that indictment on such basis violated evidentiary rules. The Control Yuan also selected this case as one of the major human right protection cases handled by the Third Term of the Control Yuan. This indictment was hardly sufficient to justify prosecution, much less serving as the basis of taxation. In 2009, the Control Yuan also released its investigation opinions via the (98) Tai Tsai Tzu No. 0982200593 Circular, making corrections concerning seven

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legal violations of tax agencies in the Tai Ji men tax case. In the same year, all innocent individuals detained for the criminal portion of this case received national compensation for wrongful detention. All these findings simply show that this is nothing but a human rights case where human rights are violated by judicial and administrative authorities.

In the first White Paper on Taiwan's Tax-related Human Rights released by the Chinese Association for Human Rights in 2011, the Tai Ji Man case was listed as one of the major unjust tax cases. In 2012, the unjust Tai Ji Men tax case was cited as an example in “Shadow Report for the National Human Rights Report” prepared by the Financial and Tax Law Research Center of National Taiwan University, the Taiwan Association for Financial Criminal Law Study, the Financial and Economic Law Center of National Chung Cheng University, and the Chinese Association for Human Rights to illustrate the chaotic tax collection situations and the seriously unbalanced tax collection and administrative remedy system in Taiwan. The report was submitted to the international review committees of the two international human rights conventions and quickly received extensive attention from international human rights experts, who have pointed out that the tax agencies have seriously violated the human rights protected under the ICCPR.

According to experts, the deliberately fabricated Tai Ji Men criminal and tax cases were the “Tax Law 228

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Incident” and were the most serious human rights persecution cases with the largest number of victims and the longest duration right after the 228 Incident in the history of Taiwan. Courts, the Control Yuan, and the national compensation for wrongful detention have done justice to the defendants. Over 250 legislators have jointly endorsed a statement, believing that the NTB's taxation is illegal and urging the illegal tax bills to be cancelled immediately. The NTB's illegal tax dispositions have been cancelled 17 times by the Petition and Appeals Committee of the Ministry of Finance and the administrative courts. However, the perennial tax bills are created as a result of the NTB's legal violations and waywardness and the dysfunction and invalidity of administrative remedies, making justice unachievable. According to Professor Tze-lung Chen of the Department of Law of the National Taiwan University, the "legislative, executive and judiciary" powers of tax matters in Taiwan are all put in the hands of taxmen. Such power concentration in one institution results in the waywardness of tax collectors, who have dominated tax operation for a long time without being replaced with a change of government and are mostly promoted internally. They are the "Gestapo" of tax administration and have created the "tax law white terror."

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II. Problems everywhere



A closer look into these cases reveals that the investigation of the Tai Ji Men criminal and tax cases are obviously problematic and flawed from the starting point, evidence collecting methods, and arguments. This further shows that these cases were deliberately fabricated by the authorities for systematic and joint persecution.

20 years has elapsed since this “1219 Tai Ji Men Incident” occurred in 1996, but this case is still not terminated pursuant to law. This is an inconvenient truth facing the government.

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1. Problems with the starting point

According to experienced judicial journalists, when the first popular presidential election was conducted in Taiwan in 1996, the authorities cracked down on "religious cults" at the end of that year after the election, since certain religious organizations supported specific presidential candidates. As result, several religious organizations were directly shut down, their members forced into exile, coerced to pledge loyalty to the rulers, or were criminally prosecuted.

At the end of the presidential election, shocking criminal cases such as the murder of a little girl in the Air Force Operation Headquarters (which was subsequently known as the unjust Kuo-ching Chiang case), the murder of Taoyuan County Magistrate Pang-yu Liu, and the murder of Wan-ju Peng, which shook the foundation of Taiwan's society. These major criminal cases had not been solved for a long time, putting enormous pressure on prosecutors and investigators. According to a senior judicial reporter who covered news about prosecutors and investigators at that time, the government allowed the spreading of poison-pen letters. As a result, Tai Ji Men was victimized.

In November of the same year, both the Kaohsiung District Prosecutors Office and the Hsinchu Prosecutors Office investigated Tai Ji Men due to false poison-pen letters. The results of the investigation showed that there

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was no illegality and no victim. The prosecutors in these offices had stated that they had closed or would close the case. However, for the same false complaint, Prosecutor Kuan-jen Hou from the Taipei Prosecutors Office investigated this case as the third instance of investigation of the same matter in violation of the law with no regard to the investigation results of the above two prosecutors' offices. Without verifying facts or summoning any witness while violating the principle that ongoing investigation should not be disclosed to the public, he searched Tai Ji Men's chapters in Taiwan with reporters on December 19, 1996. To carry out his hideous objective of purging and destroying Tai Ji Men, he resorted to illegal means such as searches, detention, freezing of assets, fabrication of evidence, creating the false impression that there were victims, illegal shutdown of Tai Ji Men's chapters and referral to the NTB for forceful taxation.

To collaborate with the purge, the NTB absolutely failed to follow due process in handling this matter and did not conduct any actual verification. Instead, NTB issued tax bills directly based on Prosecutor Hou's false indictment to join hands in persecuting Tai Ji Men. Such starting point is certainly problematic.

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2. Problems with the process

On the evening of the search when the Shifu was still under interrogation, China Television Station's Evening News immediately released exclusive news containing a footage of the search. Prosecutor Hou concealed the fact that the balance of the bank account at issue was slightly over NT\$610,000, while releasing false information indicating that Tai Ji Men allegedly evaded taxes in excess of NT\$3.1 billion. The information was published on the headlines of the newspapers the following day. In less than 24 hours after the search, Tai Ji Men was intentionally smeared. During the investigation, Prosecutor Hou continued to release false information about the investigation to the media and misled the media, resulting in over 400 untrue news reports and over 70 broadcasts by 12 television stations. He was investigating this case by leveraging the media to convict Tai Ji Men through public opinion.

The Shifu was taken away by the prosecutor and investigators when the search was conducted on December 19, 1996, and was held incommunicado on the 20th for the likelihood of collusion. However, during the 117 days since the day after the detention until April 16, 1997, when the indictment was released, Prosecutor Hou only summoned the Shifu three times and merely asked him 13 questions lasting only a total of 29 minutes. In addition, during

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interrogation hearings, Prosecutor Hou was extremely scornful to the Shifu and engaged in improper conduct such as throwing files, pounding the desk, yelling and shouting, intimidating and coercing. He even coerced the Shifu's wife to get her to admit offenses she and the Shifu had never committed by threatening to extradite their children studying overseas back to Taiwan. In addition, in the process from investigation to transfer for court examination, Chao-hsiung Li, the Shifu's lawyer, was never informed of the offenses charged and relevant legal provisions. This completely deprived the defendant's defense right and litigation right and the defense lawyer's representation right.

On the day after the outbreak of this case, some Tai Ji Men's dizi were interviewed by the media, stating the truth about how much they had mentally and physically benefited from Tai Ji Men. However, they were illegally searched and summoned shortly thereafter, just like the revival of the White Terror. On the fourth day after the case broke out, all property of the Shifu and his wife was successively frozen, including the dowry of Shifu's wife, and the Shifu's assets accumulated from his career as a businessman in the past. All assets were frozen, regardless of when the assets were obtained and whether they were related to this case. Not a single penny was spared to pay for basic living cost and the education cost of their children. This not only neglected the life and death of the defendant but also attempted to make

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Tai Ji Men unable to sustain itself. All these actions showed Prosecutor Hou's deliberate attempt to persecute and wipe out Tai Ji Men. On September 25, 2003, the defendants in the criminal case were found not guilty with the return of the seized assets in the first instance decision of the Taipei District Court after seven years of meticulous investigation and examination. However, the NTB forced the Shifu and his wife to provide security or their assets would be auctioned immediately. To preserve the chapters which were the strongholds of their dizi's bodies and minds, the Shifu and his wife were forced to offer security, causing serious deprivation of their property rights for 20 years even to this day.

Before the NTB issued any tax bill, its duty requires it to investigate and substantiate each case to avoid inappropriate taxation and avoid any impact on the people's rights and interests. However, to accommodate Prosecutor Hou's indictment, the NTB not only failed to follow due process but also did not investigate and substantiate the case and understand the nature of Tai Ji Men when issuing tax bills directly based on the false and self-contradictory indictment. The NTB even publicly forged documents and concealed evidence in subsequent court investigation. The entire taxation and assessment procedures were obviously illegal and breached the NTB's duties.

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After several rounds of investigation and examination by administrative courts, decisions were issued to conclude that the NTB failed to explore the nature and characteristics of Tai Ji Men and its dispositions violated evidentiary rules and logical rules. In addition, in the past 20 years, the NTB's illegal tax dispositions were set aside by administrative courts and the Ministry of Finance for as many as 17 times. All these just indicate the illegality of the NTB's issuance of tax bills.

3. Problems with evidence collection and arguments

To achieve the goal of framing, Prosecutor Hou refused the Shifu's request to obtain favorable document evidence to help clarify the case. The Shifu's request to summon favorable witnesses was also ignored by Prosecutor Hou. During the investigation, 36 Tai Ji Men dizi went to the Bureau of Investigation to have their testimonies taken. However, Prosecutor Hou absolutely did not accept these favorable testimonies and never indicated his reasons for doing so. He even concealed the Shifu's request for evidence investigation, motion for suspension of detention and favorable evidence and did not hand them over to the court, either.

In addition, when examining a videotape that substantiates the Shifu's achievements in qigong and martial

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arts (this video was shot onsite by the Sports World of CTS for the program titled "The First International Invitational Competition on Chinese Martial Arts and Qigong"),

Prosecutor Hou only summoned a complainant who had sought to incriminate the defendant and was biased. In addition, both the prosecutor and that complainant had absolutely no knowledge of qigong and martial arts and were unable to conduct any professional examination of



qigong and martial arts, not to mention that they had never been involved in the onsite activities shown in the videotape. After the examination transcript was prepared, Prosecutor Hou did not show the examination results and transcript to the Shifu for him to defend his position. Instead, the evidence and the examination transcript were directly included in evidence for prosecuting the Shifu and other defendants in an obvious attempt to frame the individuals. Prosecutor Hou even never asked the Shifu if he was willing

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to go through lie detection and directly made the false statement that the Shifu "refused to accept lie detection because he knew he was guilty as charged." He further alleged that "the defense with empty words should be directly equated with a lying reaction" in an obvious attempt to besmear the Shifu's reputation.

In addition, to obtain testimonies unfavorable to the Shifu, Prosecutor Hou sought to extract testimonies through detention by illegally detaining Tiao-hsin Chen and Li-chuan Peng, Tai Ji Men's dizi. He even summoned Yun-ying Wang, wife of Tiao-hsin Chen, and illegally held her in a waiting room in the Taipei District Prosecutors Office. He also deliberately inform Tiao-hsin Chen of his wife's incarceration to intimidate Chen to give a false confession out of fear by threatening that his wife would be detained with a half salary left and with no one to take care of their daughters. Flatly refusing to cooperate, Tiao-hsin Chen's detention was extended for two months without justification. Li-chuan Peng's interrogation transcript, which was not prepared in an interrogation room, even contained a lot of false information such as questions asked and answered by Prosecutor Hou which were not actually asked during the interrogation in a meeting room.

Finally, Prosecutor Hou summoned Yueh-sheng Shih, NTB's tax collector who had never conducted any

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substantive audit of Tai Ji Men or visited Tai Ji Men, on April 9, 1997 to cooperate and falsely accuse Tai Ji Men of being a cram school and pyramid scheme and of tax evasion and commissions earned by Tai Ji Men's officers and dizi. Not only was there no opportunity provided to challenge such false accusations but also Yueh-sheng Shih's testimony was not shown to any defendants so that they could defend their positions. Instead, the false testimony was relied on as the only evidence to support the prosecution on the ground of violation of the Tax Collection Act and of tax evasion. This shows Prosecutor Hou collected evidence merely in a deliberate attempt to frame the defendants.

That the NTB's taxation basis is only the indictment is a serious legal violation. Subsequently after the Petition and Appeals Committee of the Ministry of Finance set aside the illegal dispositions several times and requested the investigation of the nature of the red envelopes provided by Tai Ji Men dizi, the NTB began to investigate through written surveys. All of the 206 survey forms filled out and returned by Tai Ji Men's dizi showed the red envelopes were gifts. However, the NTB of Taipei forged documents and misrepresented that only 9 indicated gifts. The NTB of the Central Area falsely stated that only 5 respondents indicated the red envelopes were gifts. They even concealed the survey materials from the taxpayer and the Petition and Appeals Committee, resulting in the dismissal of the

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taxpayer administrative appeal. In the tax collection process, the date was even altered by the NTB of Taipei by whiteout to conduct compulsory enforcement of the assets of the Shifu and his wife and rob them of their property through alteration of government documentation.

On December 9, 2011, the Executive Yuan organized an inter-ministerial conference, in which a resolution was adopted to compel the NTB not to cite criminal case materials as a basis of taxation and to cause the NTB to conduct another open survey on the nature of the red envelopes to the Shifu. As a result, 100% of the 7,401 pieces of evidence indicated the red envelopes were gifts, an outcome consistent with the findings in the final criminal decision. However, the NTB acted illegally and abused its authority by arbitrarily dividing the red envelopes into half gifts and half tuitions and issued another tax bill illegally once again based on criminal case materials. Such evidence collection and arguments, which seriously violated evidentiary rules, are seriously problematic.

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4. Problems with objectives

After the case was prosecuted, it was transferred to the Taipei District Court on April 18, 1997. When the case was being heard, Prosecutor Hou exceeded his authority and issued a letter, without the approval of the head of his office pursuant to law, to the Ministry of the Interior on the April 25, falsely accusing Tai Ji Men as an evil religious cult while stating that the Tai Ji Men Qigong Academy is a people's organization with religious characteristics which was established without government approval, and requesting Tai Ji Men's dissolution. On May 21, he issued letters with identical contents to eight county and city governments in Taiwan, "ordering" Tai Ji Men's dissolution. On June 18 in the same year, he issued a letter, once again illegally, to the Public Construction Department of Taipei City Government to request direct cutoff of water and

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electricity to Tai Ji Men to thoroughly carry out his "dissolution decree." Such unauthorized and illegal letters issued one after another intended to eradicate Tai Ji Men by making it impossible to operate.

With respect to Prosecutor Hou's abusive and illegal shutdown of Tai Ji Men's chapters, Tai Ji Men sought administrative remedies time and again. After learning that Tai Ji Men was in fact a martial arts association in Taipei City which was registered as an organization member of the Taipei Chinese Kung Fu Association and the Taipei Taoism Association under the jurisdiction of Taipei City Government and of the Kuoshu Wushu Federation of the Republic of China, the Qigong Association of the Republic of China and the Taoism Association of the Republic of China under the jurisdiction of the Ministry of the Interior. Facing the illegal and abusive shutdown by Prosecutor Hou, Tai Ji Men sought administrative remedies time and again. Finally after realizing that Tai Ji Men was a lawful civic organization without any legal violation, the Ministry of the Interior and all county and city governments finally cancelled all of the illegal dissolution orders on September 9, 1999.

When this case was pending with a court, Prosecutor Hou even urged the judges to conclude the trial as soon as possible through the media, seriously undermining the litigation command of the judges.

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Prosecutor Hou abused his government authority, subjected Tai Ji Men to multiple persecutions such as criminal indictment, administrative shutdown and dissolution, illegal levy of taxes, and besmearing the name of Tai Ji Men. A series of planned and relentless suppression was conducted to eradicate and eliminate Tai Ji Men.

20 years has elapsed, and the court rendered a final decision on July 13, 2007, finding that there was no fraud, no tax evasion and no violation of the Tax Collection Act. In 2015, an administrative court also concluded that the NTB violated evidentiary rules and logical rules and set aside illegal tax dispositions. However, the NTB still insisted on citing the false indictment and adhering to unjust means and assumptions and continued to impose tax penalties. The NTB even developed a practice and theory to evade statute of limitation. As a result, although this case has been confirmed to be unjust in many respects and the statute of limitation for taxation in this case has expired, the NTB still continues to pursue taxes, resulting in the so-called "perennial tax bills" in this field.

When interpellated in the Legislative Yuan in June 2008, Sheng-ford Chang, then Deputy Finance Minister, said: "Before the tax investigation bonuses were cancelled, each Director-General of the NTB could receive NT\$1 million in bonuses. Now it is between NT\$700,000 and

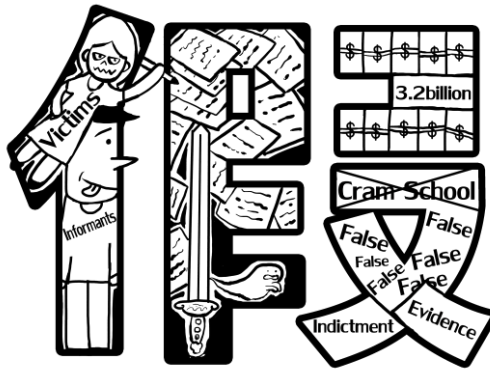
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NT\$800,000." Five years later, legislators believed that around NT\$100 million of tax bonuses of the Ministry of Finance should be abolished in November 2013. Sheng-ford Chang, who had become the Finance Minister then, was vehemently against the idea on the ground that "the salaries of taxmen are not high enough to promote integrity." It was extensively suspected that the tax bills still cannot be eliminated because the tax bonuses associated with the case were all paid and distributed. If illegal taxation has continued to cover up past mistakes, enrich taxmen and others, such objective is certainly very problematic.

The key lies in the starting point and objectives of fact-finding. If the starting point of civil servants in handing the criminal case was based on conscience and fairness, the final result would not have been problematic. However, if the starting point was to frame innocent people, the results would certainly be wrong. The starting point of this fabricated case was to purge and eradicate Tai Ji Men to pursue ulterior gains with legal violations in the investigation process, evidence collection and argumentation. This is the most extreme case of human rights violation caused by the abuse of government authority. Only by uncovering the truth and restoring Tai Ji Men's reputation can fabricated cases be prevented in the future.

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III. False case consisting of nothing but false elements



At the outset of investigation, Prosecutor Hou leveraged a fabricated criminal case and administrative shutdown to suppress and destroy Tai Ji Men. Later, he also colluded with the NTB to collect taxes illegally and forcefully, trying to put an end to Tai Ji Men. However, this case consists of nothing but false elements. Law enforcers made up facts to turn innocent people into victims. This is even more outrageous than unjust or erroneous cases. What do they want to achieve when they insist on pursuing this fabricated case?

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1. False victims and informants

When the Taipei District Court conducted a hearing on May 26, 1997, Judge Hui-sheng Chen found that the list of the so-called "self-help association" was false and untrue, and thus instructed the agent ad litem on the spot that the "self-help association" should resubmit the list affixed with personal signatures and fingerprints to address the authenticity of the list. The agent ad litem promised to submit that in three weeks. When this case was heard by the court, the Shifu issued seven briefs to urge the production of the list, and the Taipei District Court also instructed the production several times. However, no list was submitted to the court for examination even when the defendants were acquitted in the final third-instance criminal decision rendered in July 2007. This obviously indicates that the so-called "victims" and "self-help" association never existed and were conjured up out of thin air.

In fact, the names of the alleged victims in the self-help association's list were repeated several times, or were borrowed from irrelevant individuals or were names of individuals who had passed away a long time ago. Some individuals stated that they were whetted and abetted and the surveys were not signed by them or were signed by others on their behalf. There were also individuals who declared their withdrawal from the self-help association. In

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this regard, the Control Yuan subsequently concluded that the self-help association was false and untrue after investigating the illegal investigative means of Prosecutor Hou in 2002. This further attests to the rash and fallacious investigative practice of the prosecutor. Since the prosecutor prosecuted without performing his duty to verify the list of the so-called "self-help association", he did not follow evidentiary rules at all.

In fact, the "self-help association" was in fact manufactured by Prosecutor Hou. Six days after searching Tai Ji Men illegally, Prosecutor Hou urged the establishment of a self-help association by way of open enticement on the media when he stated, "It is important to sign up as soon as possible to safeguard your own rights and interests." By doing so, he sought to create the false impression that many people were victimized and to trump up charges to eradicate Tai Ji Men. Furthermore, the NTB asserted that there were informants based on such false list to rationalize the illegal taxation. In fact, everything they have done is false.

2. False facts of victimization as well

Chang-pin Tsai, self-proclaimed chairperson of the self-help association, falsely filled out a form to misrepresent that he was defrauded of NT\$30 million. Pi-yun Tseng, vice chairperson of the self-help association,

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spread the rumor that "the higher the amount indicated in the form, the more can be claimed" by which she meant that the greater the indicated amount suffered by the victims, the higher the damages to be awarded by judges in the future. She also falsely filled out 21 forms in the name of friends and relatives who were not Tai Ji Men's dizi in an attempt to fraudulently claim NT\$3.3 million. Chia-lung Tsai, a speculative informant who had never given any red envelopes to the Shifu, sent false tips to different agencies. He even wrote to Ling-cheng Kong, the then Director-General of the National Police Administration, to falsely allege that he had been defrauded of hundreds of thousands of New Taiwan Dollars. The lies of the three individuals were all exposed during a court hearing by the judge. As a result of the presentation of evidence and the judge's reminder that the criminal liability of perjury was one to seven years, they finally confessed that they had lied.

There was another informant Pei-chieh Wang, whose testimony had been prepared before the search, was not Tai Ji Men's dizi and had never been involved in relevant activities of Tai Ji Men. However, he too alleged to be victimized. This shows that the entire testimony was provided for the sole purpose of framing Tai Ji Men and thus was not admissible evidence by law. That was obviously another example of a false witness with false evidence and false facts. The prosecution based on false evidence turned out to be false accusation in nature.

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3. False prosecution evidence

During the 4-month investigation, Prosecutor Hou's persecution toward Tai Ji Men never stopped. He not only continued to spread unverified false information to mislead the media and public opinion and to impose his conclusions on the court but also publicly presented supernatural and ghost arguments in his indictment. By accusing Tai Ji Men of "raising goblins," which was not only absurd and made Taiwan a laughing stock of the world but also violated the spirit of scientific investigation, Prosecutor Hou thoroughly demonized Tai Ji Men.

The indictment that was based on "raising goblins" was completed by Prosecutor Hou on April 15, 1997 and released on April 16 which shocked the public and caused great commotion in Taiwan. However, a close look at the entire indictment revealed that there was no evidence that supported the accusation of raising goblins. To this end, Prosecutor Hou led a group of investigators and raided Tai Ji Men's chapters in Taan, Nankang, Shulin and Kaohsiung with empty fruit cartons on the morning of April 17. They were trying to look for evidence for raising goblins. Since they could not find any evidence, (how could they find any evidence to support non-existent facts or things?), they exaggerated the "peach wood sword" they found in Tai Ji Men's chapter in Nankang as evidence for "raising goblins" with totally no regard to the fact that a "peach wood sword"

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has long been viewed as a religious apparatus for driving away and destroying demons and evil spirits, not to mention that the seized peach wood sword was a gift from Tai Ji Men's dizi Tsui-yu Cheng to the Shifu and had nothing to do with this case.

After the peach wood sword was found, Prosecutor Hou interrogated the Shifu for the first time that afternoon about raising goblins. The Shifu answered: "No." However, the indictment had already been disclosed to the media the day before on April 16. That the indictment was issued before any evidence was collected and that the Shifu was the last to be questioned regarding such accusation is like drawing the bullseye around the arrow, which is a serious violation of due process. On May 5, 1997 when Prosecutor Hou was interviewed by the press, he asserted that the defendant had definitely raised goblins based on his investigative "instinct" as he had seen "a flicker of a shadow in the eyes" of the defendant. As a result, he was severely criticized by the legal community for not investigating this matter according to evidence and science. His supernatural and ghost arguments in his indictment to the public were not only unprecedented in Taiwan's judiciary history, scary and absurd, but also seriously undermined the authority of the judiciary.

What's even more unbelievable, the "peach wood sword" that Prosecutor Kuan-jen Hou had located with such

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fanfare and stated to use as evidence admitted to the court to support the "crime of raising goblins" in the indictment had never been exposed throughout the trial in the criminal court. After the final not-guilty decision was rendered, the Shifu's agent ad litem applied to retrieve the sword. However, the Taipei District Prosecutors Office could not find it. The only evidence identified by the prosecutor disappeared just like that! What would be framing if it weren't framing?

During the 16th plenary session of the Financial Committee of the Legislative Yuan, Legislator Shih-ju Kang pointed out, citing Tai Ji Men as an example, that when Prosecutor Kuan-jen Hou was investigating the Tai Ji Men case, his indicting the victims on the ground of raising goblins was in violation of the rules of evidence. This tarnished the reputation of Tai Ji Men's Shifu and dizi for over a decade. Kuan-jen Hou really messed up the lives of these victims and resulted in national compensation for wrongful detention with continued ripple effects from his fabrications. Kang said that this was not acceptable. When questioning Deputy Finance Minister Mao-sheng Tsai, Kang stated: "If the court rendered a not-guilty decision, this means that the materials provided by the prosecution were false and untrue, which is why the defendants were acquitted," and "it was precisely the lack of evidence that the victims were indicted based on false and trumped up evidence. That's why it is not too much to conclude that the indictment materials were completely false."

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According to Jing-jin Wu, Associate Professor and Chairman of the Department of Law of Aletheia University, Prosecutor Kuan-jen Hou prosecuted Tai Ji Men simply based on a peach wood sword found in the search and even included tidbits of Taiwanese folk beliefs in ghosts and deities in the indictment. Based on his own understanding and intuition, Kuan-jen Hou depicted the "goblin-raising" process, making the entire indictment appear to be a ghost fiction.

In 2002, the Control Yuan voluntarily investigated the prosecution process and concluded that "the indictment based on the self-contradictory materials did not comply with evidentiary rules, let alone the investigation procedure being defective. The prosecutor failed to question the defendant whether he 'had raised goblins' until after the indictment had been issued and did not provide the defendant with any opportunity to defend himself." However, the NTB later still imposed taxes based on the materials that did not meet the evidentiary requirements.

4. False basis of taxation

Tax collector Yueh-sheng Shih neither conducted any audit upon Tai Ji Men nor visited Tai Ji Men. However, he acted in concert with the Prosecutor by providing a false testimony against Tai Ji Men and accused Tai Ji Men as a

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cram school and of tax evasion. Instead of providing the defendants including the Shifu a chance to defend their position, Prosecutor Hou treated the testimony as the sole evidence in the indictment that supported Tai Ji Men's violation of Tax Collection Act and tax evasion. The NTB subsequently imposed taxes based on this false indictment, resulting in one false case after another.

What's even more absurd, when composing the indictment, Prosecutor ignored the fact that the balance of the account at issue was only NT\$610,000; instead, he inflated it to NT\$3.2 billion and treated this amount as proceeds of fraud on one hand and requested the court to confiscate it, while alleging that it was a business revenue from cram school tuitions on the other hand and referred this matter to the NTB for taxation. If such amount was proceeds of fraud and should have been confiscated, it then wouldn't have been legitimately taxable income. Hence the issue of taxation would be moot. Such a serious self-contradictory determination makes no common sense, is illogical, and is in an obvious attempt to deprive people of their assets through taxation.

A prosecutor's indictment is nothing more than a statement issued by the prosecutors office as an administrative agency. All evidence alleged in the indictment is yet to be verified before facts are ultimately determined and adjudicated by the court. As per the Tai Tsai Sui Tzu No. 09313512360 Circular of September 29,

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2004 from the Ministry of Finance, it is not appropriate for a tax agency to assess supplemental taxes and penalties based on materials such as referral paper, transcripts or indictment for any cases referred by agencies with investigation authority (such as the Bureau of Investigation or county/city police departments.). In addition, the results of all instances of decisions on relevant cases should be tracked for reconsideration as well. Failing to conduct ex officio investigation, the NTB's use of Prosecutor Hou's indictment materials as the basis of taxation violated the law in the first place. On July 13, 2007, the Supreme Court rendered a final decision which exonerated the defendants, concluded there was no tax evasion, determined the red envelopes were gifts, and found the procurement handled by the dizi for others was not for profit-oriented sale and had nothing to do with the Shifu and his wife. Although the court specifically concluded that there was no tax issue, the NTB does not comply with the above circular by "tracking the results of all instances of decisions on relevant cases for reconsideration and determining the facts according to the results of the criminal decision." Instead, the NTB still relies on the indictment as the basis of taxation, which seriously violates the law.

On July 13, 2007, the third instance court affirmed that Tai Ji Men's Shifu did not engage in any fraud, tax evasion, or violation of the Tax Collection Act. In 2009, all the defendants who were formerly detained received national

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compensation for wrongful detention. This further proves that all of the facts relied on in the prosecutor's indictment were all false. When investigated by the Control Yuan, Prosecutor Hou admitted that he had failed to investigate according to his authority. This also shows that the evidence provided in the indictment was all fabricated and non-reliable. The tax disposition of the NTB is certainly false as it totally relied on the false indictment as the basis of taxation.

5. False foundation of taxation

Clearly aware of the serious contradiction in the determination of income in Prosecutor Hou's illegal indictment and its violation of evidentiary rules, the NTB failed to conduct any ex officio investigation and to wait for the criminal decision that would confirm the nature of the income pursuant to law or to administrative practices before deciding whether to issue a tax bill. Instead, the NTB determined that Tai Ji Men was a cram school and that the red envelopes were tuitions for the school solely on the basis of the indictment and illegally imposed heavy taxes and penalties forcefully.

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During 1997 through 2000, the Ministry of Education – the central competent authority for cram schools in Taiwan – unequivocally stated three times that Tai Ji Men was not a cram school. This further proves the accusation of "cram school tuitions" was also false and fabricated.

In 2012, the NTB openly surveyed the nature of the red envelopes for the Shifu for two months and all of the 7,401 respondents indicated them as gifts. No one stated that it was tuition, a result consistent with the three instances of criminal decisions.

16 years after the first tax bill was issued, the NTB finally admitted in its official document known as the Decision on Re-assessment that Tai Ji Men was not a cram school. Since it was not a cram school, there was no cram school tuition, much less the issue of taxation. This proves that the foundation of the tax bills was false from the very beginning.

6. False taxable income

The day after the search was conducted in Tai Ji Men case, Prosecutor Hou fabricated the account balance that was later published on the newspaper as headlines that Tai Ji Men allegedly evaded taxes in the amount of NT\$3.1 billion, while he was obviously aware that the balance in the identified bank account was only NT\$610,000. Ultimately,

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Prosecutor Hou even made up an amount of NT\$3.2 billion in the indictment and referred this matter to the NTB for forceful tax collection.

After the NTB's illegal tax bills were cancelled by the Petition and Appeals Committee Ministry of Finance, the NTB still issued a letter dated March 7, 2000 to the Taipei City Field Office of the Bureau of Investigation, stating that "since the details, nature and amount originally assessed by the Bureau were based on materials and calculations communicated by your organization..." This shows that the NTB never double checked the account transactions by the entry before issuing the illegal tax bill containing an astronomical amount based on the false information in the indictment.

The Control Yuan investigated this matter in 2009 and concluded that the NTB had failed to investigate and ascertain relevant facts in handling the Tai Ji Men tax case and had committed obvious legal violations such as erroneous and inflated assessment. In fact, the NTB had obtained all information concerning relevant accounts from the banks by October 2002, but never made an effort to identify which entry was so-called cram school tuition as claimed by the Bureau. Instead, the NTB indicated in its decision on re-assessment dated August 3, 2012 that "continued investigation is not feasible as the transactions took place remotely and/or as data were lost due to bank

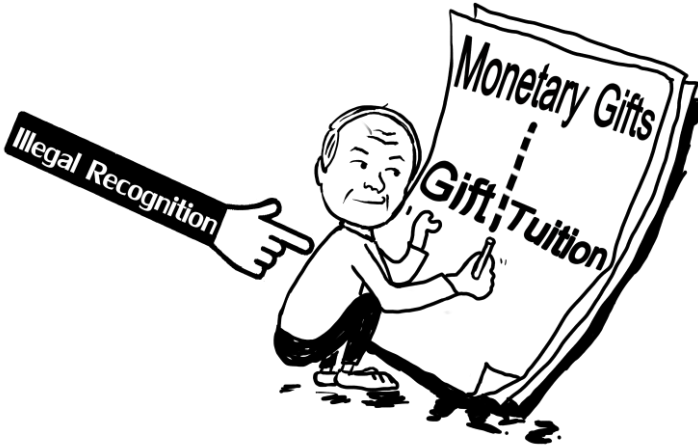
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mergers or relocation." In 2015, the illegal tax disposition was reversed by the Taipei High Administrative Court and the Supreme Administrative Court, which shows that the NTB never conducted entry-by-entry investigation pursuant to law to substantiate if the income was cram school tuition, and further indicates that the NTB's tax amount has always been false.

According to Professor Chun-Chie Huang, member of the Presidential Office Human Rights Consultative Committee and Distinguished Professor of Financial and Economic Law of National Chung Chang University, tax agencies admitted in its decision on re-assessment that "it was difficult to ascertain the facts by checking each entry of the fund as indicated in the decision on administrative appeal." The tax agencies apparently had failed to conduct ex officio investigation of the transactions in the two private accounts at issue before sending tax bills. This was in clear violation of specific legal requirements and in flagrant negligence of basic procedures and principles which should be followed by a country under the rule of law.

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IV. Absurdities everywhere



According to Legislator Wei-chih Huang, of all the petitions he has ever received, the Tai Ji Men case tops all in its absurdity. To cover up the fabricated tax case derived from a fabricated criminal case, the NTB's entire process of issuing a tax bill was ridiculously absurd! In addition to violation of due process of law, the Bureau's actions were fraught with illegalities, contradictions and absurdities, which shows all the more that the tax disposition was rendered to help purge Tai Ji Men.

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Absurdity 1:

Tai Ji Men is the only religious and martial arts organization among tens of thousands of other similar organizations that has been taxed



Tai Ji Men is an ancient menpai of qigong, martial arts, culture, and self-improvement. In 1966, Zhang-men-ren, the Shifu set up the Tai Ji Men Qigong Academy, which successively joined and has become a permanent member organization of the Taipei Chinese Kung Fu Association, the Qigong Association of the Republic of China, the Kuoshu Wushu Federation of the Republic of China, the Taoism Association of Taipei City, and the Taoism Association of

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the Republic of China with an aim to promote Chinese culture and enhance the mental, physical and spiritual health for people. Therefore, Tai Ji Men has always been a non-profit public interest and cultural organization from the very beginning.

The Ministry of Finance issued a circular in 1975 to communicate the requirement that "red envelopes submitted by believers to churches and preachers are tax-free." In addition, the Taipei Chinese Kung Fu Association, the Kuoshu Wushu Federation of the Republic of China, and the Qigong Association of the Republic of China, of which Tai Ji Men is a member, all declared that the leaders of their member organizations have never been taxed by the NTB for receiving red envelopes. On July 27, 2005, the NTB's representative Li-hsia Liu also recognized the fact during a hearing of the Taipei High Administrative Court that there was no other martial arts organization in Taiwan that was subject to income taxes.

Since tens of thousands organizations of martial arts, qigong and religions in Taiwan have never been subject to taxes for receiving red envelopes from their dizi, the NTB's discriminatory taxation on Tai Ji Men only has obviously violated the principle of fairness.

According to Professor Chun-Chie Huang, the red envelopes offered by Tai Ji Men's dizi to the Shifu are gifts

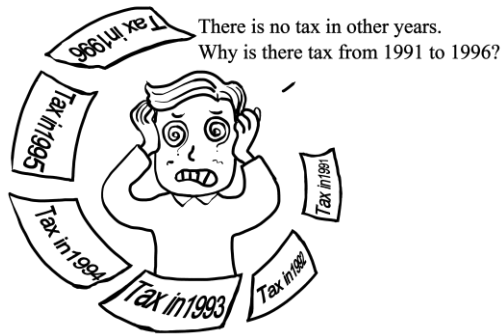
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provided as a spiritual and religious identification and is a practice of religious freedom and the freedom to participate in cultural life. For the offerings that bear the same meanings to the masters, the NTB treated the red envelopes from Tai Ji Men's dizi differently from the ones offered by the dizi of other martial arts and religious organizations, and concluded that a trading relationship was involved in Tai Ji Men's case. This violates the principle of non-discrimination on cultural rights under the two major International Covenants.

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Absurdity 2:

The period from 1991 to 1996 were the only years when tax bills were issued, while there was no such tax issue for the years before 1990 and after 1997



After the dizi have been admitted into Tai Ji Men, the red envelopes they offered to the Shifu out of their free will are part of the Chinese tradition to show respect to the Zhang-men-ren. This has been a long-lasting tradition among martial arts and religious communities that has been passed down from ancient time. We still see such practices in the form of the red envelope and the white envelope (money donated to the bereaved) in Taiwan's modern society during the Chinese New Year, weddings and funerals very often. They are gifts as indicated in Article 406 of the

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Civil Code and should be governed by Article 4, Paragraph 1, Subparagraph 17 of the Income Tax Law. Clearly the recipient of the gifts does not need to file and/or pay income taxes at all.

For the past half century since the Tai Ji Men Qigong Academy was established, the nature of Tai Ji Men as a menpai where knowledge and wisdom are passed down from the Shifu to his dizi has never changed. The six-year period from 1991 through 1996 was the only time when Prosecutor Kuan-jen Hou referred Tai Ji Men as a cram school to the NTB for illegal taxation. During the periods of 1966 through 1990 and 1997 to date, there was and is no tax issue at all. The NTB sent a representative to conduct an onsite investigation at Tai Ji Men in 1994, 1995 and 1996 respectively to ascertain the nature of Tai Ji Men, only to realize that Tai Ji Men is a menpai of qigong, martial arts and self-improvement and owes no tax. With the same characteristics, Tai Ji Men was taxed for the specific six years, which shows that the taxes were imposed with ulterior motives.

When questioning Shu-teh Li, the Finance Minister at that time, on October 21, 2010, Legislator Ting-fei Chen specifically asked why gift tax issues concerning Tai Ji Men, which should be continuous and consistent, only arose during 1990 through 1996, while Tai Ji Men did not have

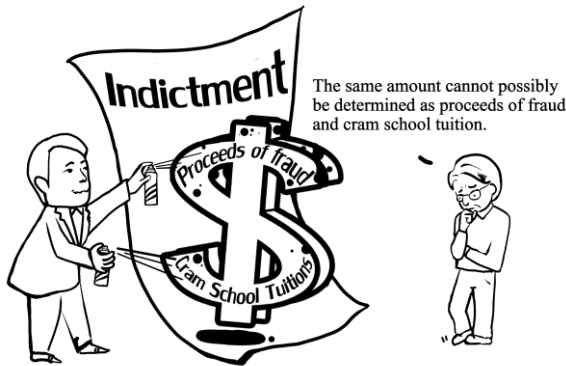
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any tax issue during 1966 through 1990 and during 1997 through 2010. The Ministry of Education has specifically indicated that Tai Ji Men is not a cram school, and criminal court decisions and Supreme Administrative Court decisions and the Control Yuan's findings all suggest that the red envelopes are actually gifts not cram school tuitions. We should help Tai Ji Men in aspects favorable to them, since the entire tax collection is unfair and is not based on any criteria.

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Absurdity 3:

How can the same alleged money be proceeds from fraud and cram school tuitions at the same time



On April 9, 1997, Kuan-jen Hou falsely accused Tai Ji Men as a cram school, pyramid scheme with percentage commissions earned by its members by leveraging the perjury of Yueh-sheng Shih, a tax collector who had never conducted actual audit at Tai Ji Men's facilities. Making such seriously false accusations, the prosecutor cited the false testimony in his indictment completed on April 15 without ever interrogating Tai Ji Men's Shifu and his wife or other defendants. What is even more absurd is that Prosecutor Hou regarded the same alleged money in his indictment as proceeds of fraud and requested the court to confiscate it on one hand while alleging it as cram school tuitions and business revenues and referring such matter

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illegally to the NTB. The same alleged money cannot possibly be determined as income of different characteristics. However, Kuan-jen Hou allowed such discrepancy to exist in his indictment.

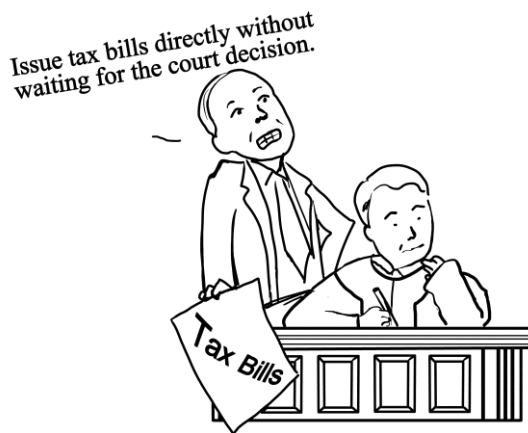
According to Jing-jin Wu, Professor and Chairman of the Department of Law of Aletheia University, now that this case was prosecuted criminally to seek confiscation, there was no income. How could this case be referred to the NTB for taxation and how could the NTB still believed that taxes should be imposed? One act should not be subject to two different penalties. It is truly ridiculous that such tax bills can still exist.

According to Professor Tze-lung Chen of the Department of Law of the National Taiwan University, at that time the prosecutor indicted the individuals on the ground that the red envelopes were proceeds of fraud. If that is true, proceeds of fraud should not be taxable income and cannot be taxed. The NTB's issuance of a tax bill at that time was erroneous from the very beginning. It is impossible to confiscate proceeds of fraud while imposing a tax on them, because the two treatments are theoretically and mutually exclusive. Professor Chen also provided an analogy to illustrate this. This is analogous to the situation where a prosecutor presents a pile of dung to a criminal court and tax agency. The criminal court immediately knows that this is dung and three instances of the court all render a not-guilty and no-tax-evasion decision, but the tax agency unnaturally sprays gold powder on the dung and attempts to extract taxes on it by claiming that it is gold.

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Absurdity 4:

NTB issued tax bills directly without waiting for the court decision to confirm the nature of the income



When the money laundering case of former President Shui-bian Chen broke out, the China Daily News reported on August 17, 2008 that the Ministry of Finance openly stressed: "If the money of Shui-bian Chen is illegal, it will be confiscated by the government, and the gift tax will not be levied. However, if the money is derived from election campaign contribution, how to handle this will depend on whether income taxes or gift taxes are evaded." According to a report in NOW news on August 18, 2008, an NTB

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official openly stated: "Before the issue of tax evasion is investigated, it is necessary to go back to the beginning to ascertain the sources of the funds. If they are illegal proceeds, they will be confiscated pursuant to relevant requirements with no tax payment issues." In addition, legislators questioned in the Financial Committee of the Legislative Yuan on December 11, 2006 if the gift tax was levied on the diamond ring given by President Shui-bian Chen to Hsia Wang, the mother of Shu-chen Wu (his wife). According to Sheng-ford Chang, the Director-General of the Tax Administration at that time, the NTB of Taipei did not issue any tax bill, because relevant investigation and prosecution agencies were still clarifying the issue of whether bestowal was actually involved, not to mention that the bestowal of personal property is very difficult to verify. Therefore, whether bestowal was actually involved could not be ascertained until three instances of the trial were concluded.

To wit, the nature of income should be ascertained pursuant to the criminal decision before the issue of taxation can be further determined; otherwise, the principle of clarity in taxation, administrative principles and practices and the legislative spirit of Article 177 of the Administrative Litigation Act are violated. Such serious violation of due process will render a tax bill invalid from the very beginning.

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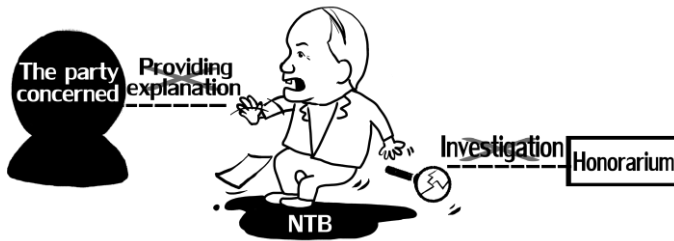
However, in the Tai Ji Men tax case, the NTB is clearly aware that the indictment treated the red envelopes for the Shifu as proceeds of fraud, cram school tuitions and business revenues, which are seriously contradictory in nature. In 1997 when the criminal case was still being tried by the court, the NTB completely relied on information in the indictment, treated the red envelopes offered by Tai Ji Men's dizi to their Shifu as cram school tuitions and issued tax bills illegally without waiting for the court decision to ascertain the nature of the income. How can such tax be assessed without ascertaining the nature of the income?

According to Chen Chiu, the full-time Assistant Professor of the Graduate Department of Law of Fu Jen Catholic University, the abuse of substantive taxation principle by tax agencies is quite serious, and too much discretion is provided under laws and regulations to tax agencies. The Tai Ji Men case is by no means an accidental case. It involves many issues concerning impairment to taxpayers' rights and interests in the taxation procedure, which actually still take place from time to time. The Tai Ji Men case is a representative case which highlights due process issues.

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Absurdity 5:

The NTB directly relied on a statement of an administrative agency to issue tax bills without substantive investigation



Under Article 12-1, Paragraph 4 of the Tax Collection Act, a tax agency is obligated to assume the burden of proof for tax-related facts asserted by the tax agency. However, the NTB never ex officio issued any circular to relevant competent authorities such as the Ministry of the Interior and the Ministry of Education to ascertain the nature of Tai Ji Men. In addition, the party concerned was not given any opportunity to provide an explanation to ascertain if a Shifu-dizi relationship exists in Tai Ji Men, not to mention that the NTB never actively investigates the nature of "the red envelopes for Shifu" as an income. To wit, the NTB

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levied taxes forcefully simply based on information in the indictment without checking the entries in relevant private bank accounts one by one and producing evidence.

According to Po-yen Hu, Associate Professor of the Department of Law of Soochow University, police and investigation agencies are all administrative agencies rather than judicial agencies. A prosecutor's indictment is only a statement of an administrative agency and contains merely matters to be verified. The NTB cannot rely on an indictment as a basis for taxation.

According to Professor Tze-lung Chen of the Department of Law of the National Taiwan University, the NTB neither conducted substantive investigation of evidence nor summoning witnesses or related parties concerning the presence of taxable income. Instead, the NTB simply relied on the prosecutor's ambush-style indictment in violation of due process under laws and regulations.

Chih-hsing Chen, Judge of the Keelung District Court and member of the Presidential Office Human Rights Consultative Committee, pointed out that when tax agencies simply used a prosecutor's investigation transcripts without conducting any investigation themselves, such practice violated evidentiary rules. Taxation based on materials found to be erroneous in court decisions was illegal.

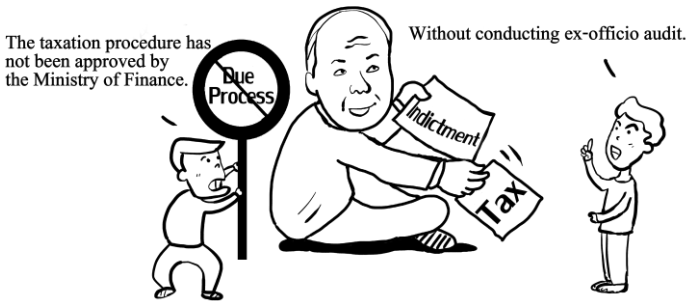
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Professor Chun-Chie Huang, member of the Presidential Office Human Rights Consultative Committee, further pointed out that before a tax agency can use the criminal evidence referred by prosecutors or investigators, ex officio investigation should still be conducted to confirm the verity of the evidence, the connections and essentiality between such evidence and the facts associated with the criteria of taxation, and the applicability of the exclusionary rule of evidence. Ex officio investigation and assessment should be conducted based on conscience and professionalism to determine the verity of facts according to logical and empirical rules. Otherwise, this act will deviate from the objective to protect fundamental rights under the Constitution.

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Absurdity 6:

Tax bills which have violated due process and have been invalid from the beginning have survived for 20 years



During the Forum on Awakened World Citizens and Support for Human Rights and Justice –Using Procedural and Substantive Law Issues Involved in the Tai Ji Men Case on April 1, 2016, Yu-hsiu Hsu, former Grand Justice of the Judicial Yuan, pointed out: "The taxation procedure should also be a very prudent procedure, since collection of more or less tax dollars pertains to the credibility and trustworthiness of government authority and is thus a very serious matter. If government authority is not trusted by its people, the social stability is very difficult to achieve. To establish trust, it is necessary to ensure that each step and procedure taken by

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the government vis-a-vis its people is convincing to the general public."

Under Article 83-1 of the Income Tax, only when a taxpayer is suspected to be evading taxes in material aspects can an audit method which indirectly substantiates income be adopted after an approval is obtained from the Ministry of Finance. Since this requirement seeks to avoid excessive application of such method that undermines human rights, the legislative reason for Article 83-1 of the Income Tax Act specifically indicates: "To avoid abuse and to provide a basis for enforcers, it is additionally stipulated that an approval from the Ministry of Finance is obtained." In addition, the Ministry of Finance further pointed out: "Two criteria shall be met when Article 83-1 of the Income Tax Act is applied. First, there should be suspicion of material tax evasion. Second, an approval should be obtained from the Ministry of Finance. Both criteria shall be met." This further proves "approval of the Ministry of Finance" is a very important legislative objective and is an essential due process element.

In the unjust Tai Ji Men tax case, the NTB falsely accused the red envelopes paid by Tai Ji Men's dizi to their Shifu as cram school tuitions and business revenues merely based on the unverified and false information and amount in the indictment as transmitted by Prosecutor Kuan-jen Hou

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without conducting ex officio audit. In addition, when applying Article 83-1 of the Income Tax Act to estimate the cram school tuition amount, the NTB had not obtained an approval from the Ministry of Finance and had evaded its statutory supervision in violation of due process.

Chun-an Hsu, former Deputy Director-General of the Tax Administration, openly stated before Legislator Feng-chih Chu on November 24, 2009 that the NTB's failure to obtain a prior approval of the Ministry of Finance could not be corrected. After the tax period expires, the NTB should admit defeat.

Meng-yen Tsai, part-time Assistant Professor of the Department of Public Finance and Tax Administration, stated that the prerequisite to initiate the procedure under Article 83-1 of the Income tax Law is an "approval from the Ministry of Finance." Without such approval, Article 83-1 does not apply. Such investigation without the approval of the Ministry of Finance violates the above requirement to prevent abusive investigation and thus the due process such legislative objective of the article seeks to ensure.

Professor Chun-Chie Huang, member of the Presidential Office Human Rights Consultative Committee and Distinguished Professor of Financial and Economic Law National Chung Chang University, remarked: "The indirect audit method to substantiate income should be

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adopted prudently with strict criteria attached. In addition, there should be 'suspicion of material tax evasion' and 'approval from the Ministry of Finance,' which are the required statutory prerequisites. If an approval from the Ministry of Finance is not obtained, it should be deemed that the administrative action is not curable, and the administrative disposition shall be deemed invalid under Article 111, Subparagraph 6 of the Administrative Procedure Act."

Noncompliance with procedural requirements, omission of substantive evidence, and violation of due process certainly render the tax dispositions invalid from the beginning. However, the tax bills have survived for 20 years.

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Absurdity 7:

The Ministry of Education and the NTB both stated Tai Ji Men is not a cram school, still the NTB continues to impose illegal taxes

Tai Ji Men is not a cram school.



The first tax bill issued by the NTB in 1997 relied on the finding that Tai Ji Men was a cram school as the basic fact for taxation. However, the Ministry of Education, which is the competent authority for cram schools, stated on three occasions that Tai Ji Men is not a cram school. Its No. 860115257 Circular of October 29, 1997 specifically indicated that the teaching of qigong appears to be a folk art, which is different from the objectives of short-term cram schools, and should not be established as a cram school. Therefore, the Tai Ji Men Qigong Academy is by nature not

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a cram school. The Ministry of Education also stated in its MOE Tai 88 Shih One Tzu No. 88157969 Circular of December 24, 1999 as follows: "Tai Ji Men is not a cram school." During a public hearing in the Legislative Yuan on December 21, 2000, the Ministry of Education stressed once again that Tai Ji Men is indeed not a cram school. In addition, the 76 Shui Two No. 03378 Circular from the Taiwan Provincial Tax Department and the 84 Tai Tsai Shui No. 841634845 from the Ministry of Finance both indicated that qigong and martial arts organizations could not apply for profit-seeking enterprise registration and did not fall within the scope of business taxes.

Li-hsia Liu, the NTB's representative, also stated that Tai Ji Men was not a cram school during a Taipei High Administrative Court hearing in November 2004. In addition, the NTB of Taipei and the NTB of central Taiwan both admitted in their official documents respectively dated August 3, 2012 and November 27, 2013 that Tai Ji Men was not a cram school.

According to Professor Chun-Chie Huang, member of the Presidential Office Human Rights Consultative Committee, since Tai Ji Men was not a cram school, the tax basis at that time did not exist and there was no tax issue from the very beginning. Former Legislator Tien-tsai Hsu also remarked now that the NTB of Taipei and the NTB of central Taiwan both admitted Tai Ji Men was not a cram school, where did the cram school tuitions come from if it was not a cram school?

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Absurdity 8:

Although postponement of compulsory enforcement had been promised, still the enforcement was pushed forward by altering the issue date of the enforcement document



In June 2003, the NTB of Taipei concealed all survey results which suggested the red envelopes were gifts and misled the Petition and Appeals Committee of the Ministry of Finance to reject the taxpayer administrative appeal. Under Article 39 of the Tax Collection Act, a taxpayer is required to pay half of the outstanding tax or to provide security equivalent to one half of the outstanding tax amount,

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or the taxpayer's assets will be subject to compulsory enforcement. To protect Tai Ji Men's chapters used by its dizi to practice qigong from being auctioned, the Shifu and his wife were compelled to promise that as soon as the assets frozen by Prosecutor Kuan-jen Hou were unfrozen, they would be immediately provided to the NTB as security. The NTB also agreed to subsequently issue a letter to the Taipei Branch of the Administrative Enforcement Agency to suspend the enforcement, and such agency also replied and indicated that the enforcement would be postponed to November 2 in the same year.

On September 25, 2003, the first instance decision of the criminal court was rendered in favor of Tai Ji Men. On October 15, 2003, the Taipei District Court notified the NTB of Taipei that the assets had been unfrozen. Sheng-ford Chang, the Director-General of the NTB at that time, and the officials in charge of this matter were clearly aware that after the assets were unfrozen, the Shifu and his wife were collateralizing their assets, which should not have been subject to compulsory enforcement in accordance with Article 39 of the Tax Collection Act. Moreover, when the Prosecutor Kuan-jen Hou illegally froze all bank deposit in 1997, the NTB of Taipei and the NTB of central Taiwan illegally prohibited the disposal of the entire assets of the Shifu and his wife once again. Therefore, the security of the tax assets was not an issue at all. In addition, the NTB of

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Taipei had agreed to postpone the compulsory enforcement to November 2 of the same year, which had not been expired. However, to achieve the purpose of enforcement, Director-General Sheng-ford Chang issued a circular to the Taipei Branch of the Administrative Enforcement Agency on October 20 to request the resumption of enforcement. In addition, to cover up his awareness that since the court had unfrozen the assets and the Shifu and his wife had been handling the formalities for collateralizing their assets, the assets should not have been subject to compulsory enforcement anymore, he allowed his subordinates to alter the official document and changed the issue date to an early date, which was October 15 in the same year (the day the assets were unfrozen by the court), to seek compulsory enforcement through deceptive means. This was tantamount to embezzling the assets of the people.

Two years later, this illegal practice was exposed by The Taipei High Administrative Court. As a result, the NTB of Taipei under the leadership of Sheng-ford Chang returned the assets in the name of "tax refund," which was clearly a misnomer and was like embezzling the coffers of the nation. However, irreparable harm had been inflicted, not to mention the interest owed is still not refunded.

Sheng-ho Chang, the Director-General of the NTB of Taipei at the time, was clearly aware that the security of tax

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assets was not an issue at all, because when the criminal case broke out, all assets of the Shifu and his wife were frozen by Prosecutor Hou and were subsequently prohibited from disposal by the NTB. However, he still resorted to illegal means such as whiting out and altering the issue date of an official document and deliberately referring this matter to compulsory enforcement by forgery of documents. This action calls into question if he did that for his personal bonuses, performance and promotion at the expense of the taxpayer and if such stringent way of collecting taxes "through falsification of documents" is the secret to tax collection exceeding the target year over year. People cannot help wonder if the NTB has been intimidating people into "paying nominal taxes to avoid any harm" for a long time, because the execution and performance bonuses have been paid to tax collectors already.

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Absurdity 9:

Court decision did not count? The indictment rejected by the Control Yuan and the criminal court continues to be the basis of taxation

Court decision did not count!



The unjust Tai Ji Men case received a final court decision by the third instance of court, which concluded the defendants were not guilty, there was no tax evasion, the red envelopes to the Shifu were tax-free income, and the procurement on behalf of other dizi was not profit-oriented and had nothing to do with the Shifu and his wife. The

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Control Yuan investigated three times and confirmed that the prosecutor and the NTB had multiple legal violations. Since the unjust case was caused by due process violation by the prosecutor and the NTB, the taxation is invalid from the very start pursuant to law. According to Professor Hui-tsung Li of the Department of Law of National Chunghsing University, since the Tai Ji Men criminal case was concluded with a not-guilty final decision, any data contained in the prosecutor's indictment is not admissible evidence at all.

According to Chih-kuang Wu, Vice Administrative Dean of the College of Law and Chairman of the Graduate Department of Law of Fu Jen Catholic University, the Tai Ji Men case involves the same fundamental facts determined in the criminal case and the tax case. The criminal case followed a higher standard and threshold to assess the facts and evidence while the administrative case is subject to a lower standard and threshold. It is unbelievable that different findings could be made without any restraint.

According to former Legislator Shih-ju Kang, the prosecutor wantonly prosecuted the defendants in the Tai Ji Men case. However, the court rendered a final decision exonerating the defendants, indicating that all tax materials provided by the prosecutor at that time were either falsified or fabricated. It is unbelievable that the tax agencies in

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Taiwan are still pursuing taxes from Tai Ji Men based on evidence underpinned by such fabricated elements.

According to former Legislator Chun-ying Yang, the results of the administrative appeals have indicated so clearly in writing and three instances of criminal trial have concluded that Tai Ji Men did not commit any crime or tax evasion, there is no longer any legal basis for the NTB's actions. The NTB should have mended its way and should not subject one case to two different penalties.

According to Yu-chen Su, Chairman of the Human Rights Protection Committee the Chinese Association for Human Rights, the litigation concerning the perennial tax bills to Tai Ji Men has dragged on for almost 20 years with the primary facts and legal issues pertaining to the issue of whether the red envelopes paid to the Shifu were gifts in nature or service income of a cram school. In fact, according to the Tai Tsai Su No. 09313512360 dated on September 29 of 2004 from the Ministry of Finance stated that, "With respect to finding of facts...it is not appropriate for a tax agency to assess supplemental taxes and penalties based on materials such as referral paper, transcripts or indictment for cases referred by agencies with investigation authority (such as the Bureau of Investigation or police departments of county or city governments) or for other similar cases. In addition, the circumstances of prosecution and the results of

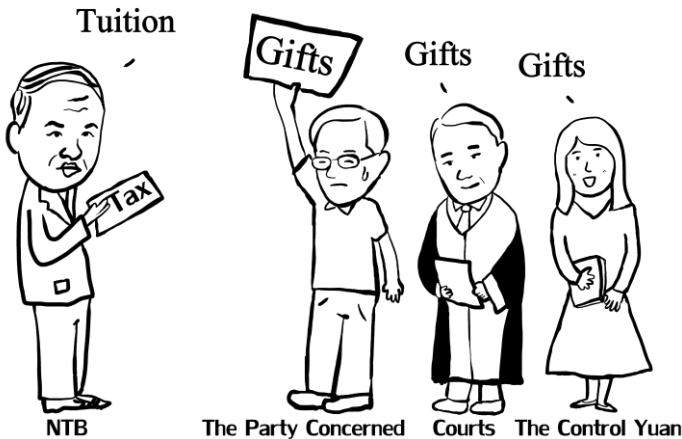
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all instances of decisions on relevant cases should also be tracked for consideration as well.”In addition, the 29 Pan Tzu No. 13 Decision and the 32 Pan Tzu No. 18 Decision of the Administrative Court further clearly indicated that administrative agencies and administrative courts should reference facts determined in the associated criminal decisions. In the Tai Ji Men case, the final criminal decision confirmed that the red envelopes to the Shifu were gifts. However, the NTB has failed to comply with court findings and still imposed taxes based on the information in the indictment.

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Absurdity 10:

The findings of "gifts in nature" by the relevant party, courts and the Control Yuan were neglected by the NTB, who believes to have the only say that matters



After issuing tax bills illegally for five years and after the tax bills were set aside five times, the NTB finally conducted a survey on the nature of the red envelopes to the Shifu for the first time in 2002 according to the gist of the past reversal by the Petition and Appeals Committee of the Ministry of Finance by designing the survey forms and conducting the survey at random on its own. 206 Tai Ji Men

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dizi who replied to the survey all indicated the red envelopes to the Shifu were gifts and none indicated they were tuitions. However, the NTB of Taipei and Central Taiwan both falsely recorded the results. The former claimed only 9 respondents indicated gifts, and the latter 5. Not to mention that they also concealed evidence, withheld the survey forms from the Petition and Appeals Committee of the Ministry of Finance and the administrative court, failed to give any chance to the related individuals to defend themselves pursuant to law, and even denied the request to review the files pursuant to law for the individuals concerned. This is a serious violation for the litigation and administrative appeal rights of the individuals concerned.

After ordering and examining the survey materials from the NTB, Taipei High Administrative Court concluded the fact of gifts and reversed the illegal tax disposition. The Supreme Administrative Court also upheld such decision which set aside the tax disposition. The three instances of criminal courts also reviewed the survey materials and concluded in their decisions that the red envelopes were gifts. Likewise, the Control Yuan also concluded they were gifts after its investigation in 2009 and pointed out that the NTB should mend its way for its failure to conduct ex officio investigation to actively clarify the nature of the income and to pay attention to portions of the survey results which were favorable and unfavorable to the taxpayer. For

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20 years, tens of thousands of documents evidencing the red envelopes were gifts have been submitted by the Tai Ji Men dizi. Yet, none of these were considered valid as far as the NTB is concerned. As matter of fact, the NTB continues to breach the laws, misappropriate properties from the people, and violate human rights by forcefully imposing taxes.

According to former Legislator Su-lei Luo, the judiciary has cleared the name of Tai Ji Men and done justice in the criminal case. Thus, tax agencies should not insist on collecting wrongful taxes. Moreover, according to her expertise as a certified public accountant, the NTB's basis for collecting taxes in the Tai Ji Men tax case is precarious. Coming from an unbiased position, Luo stated that she could not determine if the NTB's demand on the collecting taxes without any supporting evidence or legal theories was all for an effort of saving face, or if there is an underlying subjective issue involved. If the Tai Ji Men's case cannot be resolved, there will be no room for any discussion for the rights of taxpayers.

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Absurdity 11:

***Continued illegal prohibitive disposition
with total negligence of the people's right to
survive***



Within four days after the criminal case broke out in December 1996, the prosecutor successively froze all assets of the Shifu and his wife without leaving any penny for their basic cost of living and educational fees of their children. Clearly knowing that the Shifu and his wife could not have possibly engaged in fraudulent transfer of their assets, the NTB rendered a disposition that prohibited them from disposing of their assets after issuing illegal tax bills. This deprived them of the basic right to survive.

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The final not-guilty criminal decision which was secured long time ago unfroze the assets. The interrogation transcripts transferred to the court were not accepted by the judges. In the past 20 years, the illegal tax bills were set aside 17 times by the Petition and Appeals Committee of the Ministry of Finance and administrative courts with the false and ludicrous tax amounts revised repeatedly. However, not only has the NTB not canceled the disposition that bans the disposal of their assets, but the NTB also compelled the Shifu and his wife to collateralize the assets, making them unable to freely use and dispose of their own assets for over a decade. This is a serious violation of the people's property rights.

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Absurdity 12:

100% of the evidence supported gifts, yet only half was accepted as gifts while the other half was turned into tuitions



The only issue in the Tai Ji Men tax case is whether or not the red envelopes paid by Tai Ji Men's dizi to their Shifu are tax-free gifts pursuant to law. For 20 years, Tai Ji Men's dizi have submitted tens of thousands of documents evidencing gifts. However, the NTB has neither assumed its responsibility to investigate and produce evidence under Article 12-1 of the Tax Collection Act, nor actually ascertained the nature of Tai Ji Men.

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In both years of 2010 and 2011 members of the Control Yuan visited the Executive Yuan to request fair treatment of the Tai Ji Men tax case.

On December 9, 2011, the Executive Yuan called an inter-ministerial conference, in which it was resolved that the indictment in the criminal case could not be relied on as the basis of taxation, and that the NTB would conduct an open survey on the nature of the red envelopes for two months so that the unjust case would be terminated pursuant to law if the results of the survey show that the red envelopes were gifts. On December 16 of the same year, the open survey was conducted on the same day after the Reconsideration Committee of the NTB adopted a resolution to do so. This was the only legitimate, open and comprehensive investigation of evidence conducted by the NTB.

A total of 7,401 survey forms was returned and all results showed that the red envelopes were gifts and none indicated them as tuitions. This outcome is consistent with the result from the three instance criminal decisions. However, the minutes of the inter-ministerial meeting of the Executive Yuan were vanished into thin air, and the NTB has become even more unlawful and wayward. Not only did it ignore the evidence that 100% attested to gifts, but the NTB also illegally and wantonly divided the red envelopes to 50% gifts and 50% tuitions. In addition, it continued to issue illegal tax bill based on the false indictment of the criminal case.

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Tze-lung Chen, an evidentiary law professor in National Taiwan University, pointed out that the conclusion is very obvious if comparison is made based on the connections between evidentiary materials and facts to be verified. That is to say all red envelopes were gifts. There is no gray area to this issue. The NTB still ignored the fact that they were gifts as suggested by evidence and continued to abuse its power by issuing taxes. Such practice does not reflect evidentiary rules but rather the rule of dictatorship where the rulers can do whatever they desire. In other words, the NTB is the ruler whose instructions are the law.

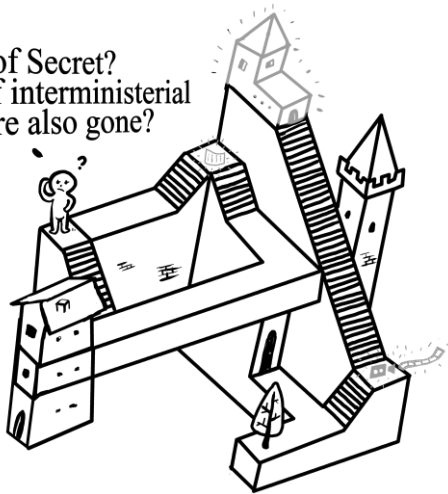
Ching-chang Yen, former Finance Minister and former Ambassador to the WTO, also expressed that, "There is no need to amend the law for the Tai Ji Men case because the Supreme Administrative Court has revoked the decision on re-assessment and remanded it to the NTB for a more legally appropriate disposition. In other words, this process suggests reverting back to the basic of the litigation, which calls for only one legal characteristic. If the red envelopes are considered as the tuitions for cram school, then they would be considered as personal income. However, if that's not the case, then they are red envelopes of gift nature which are paid based on the decision of the payers. It is impossible that the same income has two legal characteristics at the same time."

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Absurdity 13:

The Chamber of Secret? The disappearance of the meeting minutes of the inter-ministerial conference

The Chamber of Secret?
The minutes of interministerial
conference were also gone?



A short but crucial video clip that was involved in the un-solved case of the tragic torturing death of Chung-chiu Hung was erased. As a result, this has cast doubt and suspicion over the Ministry of National Defense.

Incidentally, after an inter-ministerial meeting on the unjust Tai Ji Men case was organized on December 9, 2011, the meeting attended by representatives of six ministries, commissions, bureaus and directorates and by high-ranking officials such as the Secretary General of the Executive

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Yuan, the Finance Minister, the Justice Minister and the Director-General of the NTB of Taipei could not compel the NTB to agree with the resolution of the meeting. The relevant audiovisual records and literary records of the meeting were concealed and destroyed with the truth completely covered up.

Minutes are kept even for class meetings in primary school. However, the audio recording and minutes of the inter-ministerial meeting organized by the Executive Yuan on December 9, 2011, attended by 13 relevant officials, including the ministers and vice ministers of the ministries, and 30 other attendees, including the representatives of the parties, dizi of Tai Ji Men, and fair-minded members of the society, vanished in thin air. In the end, the NTB was under no restraint and illegally issued a tax bill once again to rob the taxpayer of his property and levy taxes forcefully.

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Absurdity 14:

Without any new evidence and facts introduced, the NTB still was able to file a new appeal



In retrospect, the Shifu and dizi of Tai Ji Men have not given up the efforts to seek justice in nearly past two decades and have exhausted all avenues of petition and relief by petitioning to the Presidential Office and the Executive Yuan, Judicial Yuan, Control Yuan, Examination Yuan, and Legislative Yuan over 1,150 times, and have drafted over 20,000 letters to the NTB until July 2016. The weight of the briefs exceeds 313 kg and the pile of the

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documents is close to 18 meters high or higher than a 6-story building.

Until now (July 2016) since 1999, over 250 legislators have carried out their duties by accepting petitions, countersigning proposals, conducting coordination or interpellation, organizing public hearings and requesting the NTB to cancel illegal tax dispositions.

On March 24, 2015, the Taipei High Administrative Court ruled in favor of Tai Ji Men in the 1996 consolidated income tax case on the ground that the NTB of Taipei had failed to explore the attributes and characteristics of Tai Ji Men and had violated the law of evidence and the law of principals. Which of the two parties that is justified by jurisprudence is quite obvious. Yet, the NTB of Taipei still relied on the criminal indictment with no evidentiary weight as the basis of taxation and continued to misuse government expenses and illegally appeal in the absence of new facts and new evidence with absolutely no regard to the preponderant evidence that supported gifts. However, the Supreme Administrative Court also concurred with the Taipei High Administrative Court and dismissed the appeal of the NTB of Taipei on July 9, 2015.

In comparison with the cases involving workers whose employer closed down the business and the demolition of private buildings in Ta Pu, the administrative agencies chose

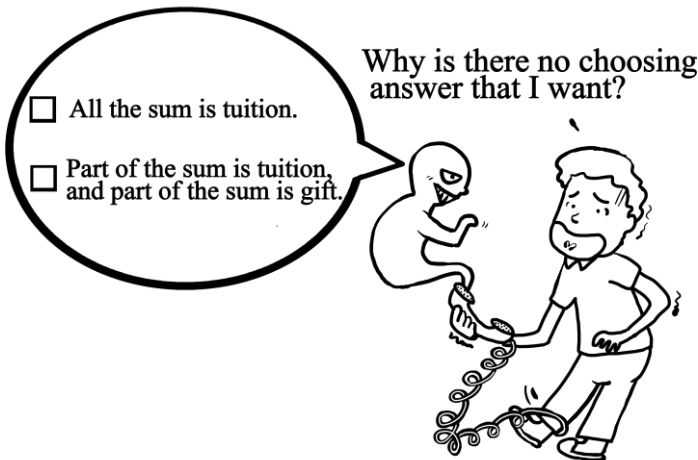
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not to appeal to save social cost and judicial resources, but the tax agencies still appealed by hiring lawyers with taxpayers' money. They have obviously continued to waste taxpayers' hard-earned money and government funds, plunging the people into sorrow and seriously violating human rights.

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Absurdity 15:

False investigation and real setup in an attempt to fabricate evidence unfavorable to the party concerned



20 years has gone by since the issuance of the tax bill for the consolidated income tax of Tai Ji Men's Shifu in 1996. Criminal decisions were rendered to confirm that red envelopes to the Shifu were gifts in nature, and the Ministry of Education declared that Tai Ji Men was not a cram school long ago. On December 9, 2011, the Executive Yuan organized an inter-ministerial meeting, in which it was resolved that the criminal indictment could not be used as the basis of taxation, and that the NTB would conduct an open survey for two months. As a result, 7,401 survey forms

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were obtained as evidence and all of them indicated gifts, which is consistent with the findings in the criminal decisions. Therefore, the nature of the red envelopes as gifts is no longer disputed, and the NTB should withdraw illegal tax dispositions pursuant to law immediately and should not conduct any further audit.

However, the NTB of Taipei obtained the personal addresses, office numbers and mobile phone numbers of Tai Ji Men dizi illegally in violation of the Personal Data Protection Act and asked them if they had paid red envelopes in 1996. Through telephone interviews on May 12, 2016, many dizi were asked if the nature of the payment was tuition, and how much was paid. They were even required to respond by fax in 15 minutes, while the callers refused to indicate their positions and names. As a result, Tai Ji Men dizi became extremely fearful. In particular, older dizi were even so frightened that they suffered from physical conditions such as excessive heartbeats, headache and nausea and from severe mental and physical harm, since they thought they had been targeted by con artists.

What is even more outrageous was that the return fax form prepared by the NTB of Taipei only contained two options, which are "entire amount is tuition" and "partially red envelopes and partially tuitions." There was no "entire amount is red envelope" option in the forms, which was not

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consistent with the fact associated with the red envelopes provided by the dizi. Even when the interviewed dizi indicated that the entire amount was red envelope and a gift, the NTB of Taipei replied that they were not required to fax the forms back. This shows that the NTB of Taipei had had a predetermined position and attempted to set up the taxpayer and fabricate evidence unfavorable to the taxpayer. In the course of the telephone interview, the NTB of Taipei was clearly misleading the interviewees, and the telephone conversations were not recorded. The purpose was to make it impossible for the taxpayer to verify the results of the investigation later.

Such personal information violation, power abuse, dereliction of duty, violation of the Constitution and violation of due process translate into false investigation and genuine setup. The information so obtained could not even quality as "evidence." This also shows that the NTB had not conducted any investigation at all when they issued the first tax bill and broke the law from the very start.

Legislator Kuo-chang Huang called a press conference to stop the illegal procedure and protect taxpayers' rights after learning about the illegal ambush-style investigation by the NTB of Taipei. He challenged that if the NTB could audit taxes in this fashion, relevant legal provisions would be reduced to nothing. He also reminded the public that if

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they receive a phone call allegedly from the NTB in the future, it is very likely a call from a fraudster and they should hang up immediately. Professor Chun-Chie Huang, member of the Presidential Office Human Rights Consultative Committee and Distinguished Professor of Financial and Economic Law National Chung Chang University, pointed out in the press conference that the action of the NTB of Taipei to audit taxes was absolutely illegal. However, the Deputy Director-General of the NTB of Taipei, who was also present, showed no remorse. Not only did he tell flagrant lies in the press conference, but he also asserted that it was not against the law. The Deputy Director-general of the Taxation Administration even stated that this is a special case and continued to fool the media, the legislators and the public, inflicting tremendous reputational losses upon Tai Ji Men's Shifu and dizi. Scholars and experts have even criticized this matter by referring to this case as the 228 Tax Law Incident, which is a major milestone in the history of taxpayers' rights in Taiwan.

With respect to the illegal investigation by the NTB of Taipei, Legislator Wei-chih Huang also indicated that such means of tax investigation by the NTB was really absurd. Paying taxes is an obligation of the citizens. However, the people will lose their faith in the government if taxes are collected illegally or with problematic means. The courts have rendered relevant decisions, and the Control Yuan has

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also dealt with this matter already. The NTB should not continue such course of action. President Tsai says that judicial reform is very important. However, tax reform is even more important. Although the new government just took office with myriads of tasks to deal with, still tax reform is definitely on top of her agenda and should be included as part of her transitional justice. Legislator Ting-fei Chen urged that the new government should be thoughtful of the people's needs and listen to the people to resolve such a case once and for all.

When Professor Kenneth Jacobsen of Temple University in Philadelphia, who is also a well-known human rights lawyer in the U.S. and has studied the Tai Ji Men case for nearly two years, learned about the NTB's investigation without following due process before the new government took office, he pointed out that this was a trap, was unfair and a harassment to the people. He felt very ashamed of the NTB and urged the new government to show the courage to resolve the unjust Tai Ji Men case, because it is right, just, fair and about time.

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Absurdity 16:

Illegal tax bills were canceled 17 times with everything returning to the starting point, and illegal tax bills just never die



Although Taiwan claims to be a democratic country under the rule of Law and underpinned by the protection of human rights, only around 6% of the people who seek administrative remedies for tax matters pursuant to law are successful according to statistics compiled by scholars. Even if a citizen wins, the administrative court judge still does not render a final judgment and merely reverses the decision on re-assessment, instead of reversing the original disposition,

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and remands the case to the original tax agency which is then required to render a legally appropriate disposition. As a result, the tax agency can modify the tax amount in the same case and issue another tax bill, forcing the citizen to seek administrative remedies again even if the legal battle has been won. Such administrative remedy system has allowed tax agencies to revive tax bills without limitation, making it impossible for taxpayers to free themselves from the scourge of everlasting tax bills.

On March 24, 2015, the Taipei High Administrative Court rendered a decision to set aside an illegal tax disposition again, and on July 9 of the same year, the Supreme Administrative Court rejected the appeal of the NTB of Taipei once again, which was the fourth time that the administrative court ruled against the NTB of Taipei. In the past 20 years, the NTB's illegal tax disposition was set aside by the administrative court and the Petition and Appeals Committee of the Ministry of Finance 17 times.

However, the long-winding battle is not yet over, since administrative courts continuously remand the original disposition to the NTB of Taipei for another legally appropriate disposition, while the assets of the taxpayer are still subject to the disposition that prohibits disposal. All evidence shows that the red envelopes provided by Tai Ji Men's dizi to their Shifu were gifts. Moreover, this case has

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long exceeded the 5-year or 7-year statute of limitation. Therefore, there is no ground, evidence and legal basis to impose any tax again.

However, the long-winding battle is not yet over, because the administrative court remanded the original disposition back to the NTB of Taipei for another legally appropriate disposition, while the taxpayer's property is still subject to prohibition against disposal, and the Shifu and dizi of Tai Ji Men are still trapped in the pitfall of everlasting tax bills.

Nigel Li, a member of the Presidential Office Human Rights Consultative Committee, remarked that Tai Ji Men was indicted by a prosecutor at his whim and based on very loose and even questionable evidence at that time (1996). The court ultimately acquitted Tai Ji Men and did not accept such evidence. However, the tax agencies still continued to use unjust means and assumptions to impose tax penalties and develop a practice and theory that evade the statute of limitation. In addition, the administrative court has long ignored the statute of limitation system, resulting in the NTB's continued pursuit of taxes for 20 years while the statute of limitation of this tax case was over a long time ago and giving rise to the so-called "perennial tax bills" in the industry. The Tai Ji Men case is not unique but rather reflects universal issues.

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According to Chang-ping Liu, an associate of Lee & Li Attorneys-at-law, although Ta Ji Men prevailed in its administrative action twice, still the long battle is not yet over, since the administrative court remanded the original disposition to the NTB. The finding that red envelopes willingly and joyfully provided to the Shifu were considerations and thus were cram school tuitions is a great insult, particularly a denial of the personal rights of Tai Ji Men's dizi, especially when the NTB had no evidence at all. The individuals involved have suffered great psychological torture in the past 20 years. The judicial resources of courts have also been wasted time and again, and even perennial tax bills are allowed to deprive taxpayers of their litigation right, which is like putting the cart before the horse.

According to former legislator Chiu-chin Tien, the Tai Ji Men case is very similar to the story in Greek mythology where a tragic hero was made to push a boulder to the top of a mountain, and the boulder would fall tumbling down the mountain again when it reached the top with a lot of effort. And the hero had to do that again only to see the boulder tumble down the mountain again. This was an everlasting cycle which would eventually work the man to death.

When a citizen asserts a right over the government, even though the assertion was only one day late, the government will always refuse to accept the application

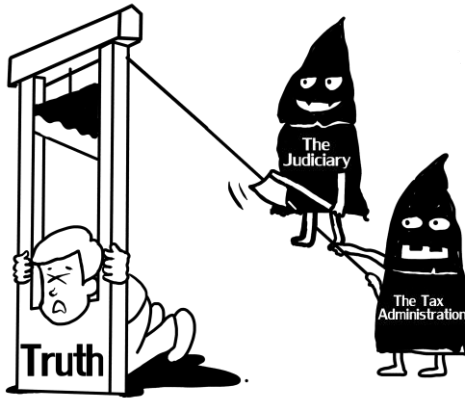
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because the statute of limitation has been exceeded. However, the government's tax disposition is not subject to any statute of limitation. The 5-year or 7-year statute of limitation for statutory taxation expired in this case. The NTB's past decisions on re-assessment also exceeded the statute of limitation. Even after the tax disposition was set aside by the administrative court, this matter was shelved for two to three years several times in serious violation of the finding of Judicial Interpretation No. 677 that matters involving the rights and interests of the people should be handled within the statute of limitation; otherwise, the Constitution will be violated even if the statute of limitation is exceeded by just one day. For criminal cases, there is the Speedy Trial Act, which requires that a criminal case which has been tried for over eight years should be concluded. However, there is no end to cases involving the NTB's pursuit of taxes through illegal tax bills.

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Absurdity 17:

***The government dares not face the truth
that the judiciary and tax Administration
are instruments of torture for the People***



The 1219 Tai Ji Men Incident has always been political persecution initiated by the prosecution in cahoots with the NTB from the beginning.

On April 9, 1997, the NTB designated a tax collector by the name of Yueh-sheng Shih, who had never conducted any substantive audit at Tai Ji Men's chapters, to work with Prosecutor Kuan-jen Hou to falsely allege that Tai Ji Men was a cram school and was suspected to have engaged in tax

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evasion. Prosecutor Hou relied on Shih's false testimony as the only evidence to support his charge that Tai Ji Men had violated the Tax Collection Act and had engaged in tax evasion before completing his indictment and prosecuting this case. Finally, based on the indictment, the NTB has forcefully collected taxes for 20 years. This fully demonstrates that the prosecution colluded with the NTB to persecute Tai Ji Men.

Prosecutor Hou withheld the fact that the balance of the account at issue was only slightly over NT\$610,000 and falsely inflated the amount to NT\$3.2 billion in his indictment and treated this amount as proceeds of fraud on one hand and requested the court to confiscate it, while alleging that it was a business revenue from cram school tuitions on the other hand and referring this matter to the NTB for taxation. Ignoring such serious contradiction, the NTB would not wait for a final court decision that confirmed the nature of the income and simply ignored due process when issuing tax bills illegally and slapping heavy penalties. This just shows that NTB has rushed to declare its authority to collect taxes on non-existent "tuitions" in pursuit of tax audit bonuses.

In addition, obviously aware that all assets of the Shifu and his wife had been frozen by Prosecutor Hou and that the security of the tax revenue had not been an issue at all, the

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NTB rendered a redundant and unnecessary disposition that prohibited the disposal of the assets. For the business tax portion, the disposition that prohibited the disposal of assets was rendered when the tax payment deadline had not expired, not to mention that the amount covered by the disposition was as high as 40 times that of the payable tax. This not only seriously violated the law but also constituted misappropriation of the taxpayer's assets and human rights violation. Even though the Control Yuan concluded in its investigation in 2002 that the freezing of the assets of the Shifu and his wife by Prosecutor Hou seriously undermined the property right of the people and found in its investigation in 2009 that the NTB's disposition that prohibited the disposal of assets violated the principle of proportionality, still the NTB has insisted on its course of action not only by continuing to carry out such disposition but also by referring this matter to compulsory enforcement several times in an attempt to shut down and auction Tai Ji Men's chapters and ultimately wipe out Tai Ji Men's chapters, whose security has troubled Tai Ji Men's Shifu and dizi for 20 years.

The tens of thousands of written statements submitted by Tai Ji Men's dizi in the past 20 years, the results of the NTB's survey in 2002, criminal decisions, and the results of the 2012 open survey all indicate that the red envelopes were gifts in nature. However, continuing to conceal and

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alter such facts of gift, the NTB has consistently ignored evidence that does not help bring in tax dollars.

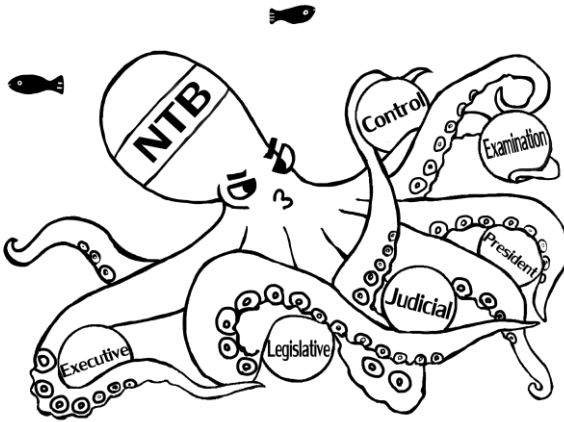
Likewise, Prosecutor did not accept any testimony favorable to the Shifu and did not investigate any evidence favorable to the defendant. He even concealed the answers and requests for investigating evidence and for granting bail for the sake of medical treatment prepared by the Shifu himself as well as favorable documents and evidence, which were not transferred to the court along with the case files. The purpose was to mislead the court and frame the victim.

For 20 years, the prosecution and the NTB have concealed the truth time and again and resorted to the same method to frame and harm victims, fabricate evidence, create injustice, bully the people and violate human rights.

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Absurdity 18:

The monolithic NTB has undermined the five government powers and shaken the foundation of this nation



Since the Constitution of the ROC was implemented in 1947, the Constitution has specified that the sovereignty belongs to the citizens and that people's freedom should be safeguarded. The Constitution also stipulates the separation of five powers, namely the Executive Yuan, Legislative Yuan, Judicial Yuan, Control Yuan and Examination Yuan. However, in the unjust Tai Ji Men tax case, the all-powerful tax agencies have disrupted the constitutional system balance which has been implemented for over 60 years in Taiwan and wiped out the five government powers completely.

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Ignoring court decisions and undermining judicial authority. Now that the criminal court has rendered a final decision finding that the defendant was not guilty and there was no tax evasion, the NTB should have voluntarily corrected and set aside its tax bills ex officio in accordance with Article 117 of the Administrative Procedure Act and immediately put an end to the injustice according to the 29 Pan Tzu No. 13 and 32 Pan Tzu No. 18 decisions of the Administrative Court based on the facts determined in the criminal decision. While administrative courts have rendered several decisions setting aside illegal tax bills in the past 20 year, the NTB has totally ignored precedent and ignored the court decisions. The NTB continued to forcefully collect taxes illegally. 10 months after the NTB's illegal tax disposition was set aside by the Supreme Administrative Court once again, the NTB Taipei Division still conducted a telephone audit in violation of laws and due process in an attempt to fabricate evidence unfavorable to the taxpayer and to issue another illegal tax bill.

The Control Yuan investigated three times and specifically confirmed the legal violations of the prosecutor and the NTB. The Control Yuan's investigation in 2002 confirmed eight counts of major legal violations of Prosecutor Hou in his investigation of the Tai Ji Men case, and determined that, since the evidentiary rules were violated when this case was prosecuted with significant

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contradictions between the indictment and evidentiary materials, this case should not have been prosecuted, should not have served as the basis of taxation, and the illegal tax bills which have been issued should be canceled as well. In addition, the Control Yuan also released the results of its investigation in 2009, stating that the tax agencies committed seven major legal violations such as failure of the tax agencies to clarify the nature of income ex officio and to pay attention to evidence both favorable and unfavorable to the taxpayer. In 2010, the Control Yuan issued a correction to the Ministry of Justice for its failure to take disciplinary action against Prosecutor Hou pursuant to law. However, the NTB has continued to forcefully collect taxes by citing information contained in Prosecutor Hou's illegal and false indictment for 20 years, even to this day.

A monolithic bureau that ignored resolutions adopted in the inter-ministerial meeting conducted by the Executive Yuan on December 9, 2011. In the inter-ministerial meeting of the Executive Yuan on December 9, 2011, a resolution was adopted to determine that the criminal indictment should not be relied for taxation any more, and that the NTB is required to assume the burden of proof under Article 12-1 of the Tax Collection Act by conducting an open survey in two months to investigate the nature of the red envelopes. If the results of the survey showed gifts, the unjust case should be terminated pursuant to law. According to the results of

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the open survey, 100% of the 7,401 respondents indicated the red envelopes were gifts with no one suggesting tuitions. This result was consistent with the fact of gift determined in the criminal decision. However, the NTB proceeded by wantonly dividing half of the red envelopes as gifts with the other half as tuitions and continued to issue tax bills illegally based on the criminal indictment.

Overlooking the supervision of the Parliament and people's opinions. In November 2013, 33 legislators jointly introduced a proposal to request the Ministry of Finance to set aside illegal dispositions, based on the above resolution of the inter-ministerial meeting of the Executive Yuan and the results of the open survey. Several coordination meetings, public hearings and several interpellation sessions have been conducted since 1999 with a total of over 250 legislators providing their countersignatures or publicly urging that civil servants should conduct their administration, pursuant to law, and should set aside illegal tax dispositions on Tai Ji Men. However, the NTB still continues to collect taxes forcefully and illegally.

For 20 years, Tai Ji Men's dizi have submitted tens of thousands of written statements evidencing gifts and have exhausted all channels of legal remedies and petition. After accepting their petition and learning about the injustice, the Presidential Office issued a letter to the Executive Yuan on

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July 1, 2011, requesting this matter to be dealt with pursuant to law. After accepting the petition, the Examination Yuan also expressed its admiration that Tai Ji Men had reflected the spirit of traditional Chinese culture by performing for the National Day Holiday several times. The Examination Yuan also stated it was delighted to learn that since the criminal case had been concluded and cleared the names of the victims who had also received national compensation for wrongful detention, remedies might be sought through legal procedures to address the taxes and penalties imposed by the NTB.

According to the competence indicators for the Integrated Nine-Year Curriculum promulgated by the Ministry of Education, the competence that senior-year primary school students should acquire in the social science domain includes the knowledge of the organization and functions of the ROC government, the rights and obligations under the Constitution and the basic operations and principles of the judiciary. Therefore, through social science learning, fifth graders should have learned the constitutional system with the separation of five government powers and constitutional checks and balances and been familiar with the respective responsibility and authority of the five Yuans, breach of such responsibility and authority will impair the system and governance of this nation.

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Thanks to the popularization of national compulsory education, all citizens have acquired the basic knowledge of the constitutional system with separation of five government powers and checks and balances. In comparison, NTB officials are esteemed civil servants who are recruited passing the national examination for civil servants and receiving advanced training by the government, and should be more knowledgeable about the law, more law-abiding and should follow strictly the system of this nation. However, it is unbelievable that the NTB has exercised its authority above the Presidential Office and five Yuans. Namely, the NTB has been ignoring the fact that the unjust Tai Ji Men case has no tax issue, as substantiated by court decisions, by resolutions adopted by the Executive Yuan's inter-ministerial meeting, by countersignatures of legislators and by petitions to the Examination Yuan and the Presidential Office. Instead, the NTB has still forcefully collected taxes from Tai Ji Men for 20 years even to this day, translating into complete disintegration of the constitutional system that had in its foundation a separation of five government powers. This amounts to a proclamation to all citizens that the NTB has become a monolithic agency above court decisions, and that the Presidential Office and the five Yuans are powerless in the constitutional system's separation of five government powers and its democratic rule of law.

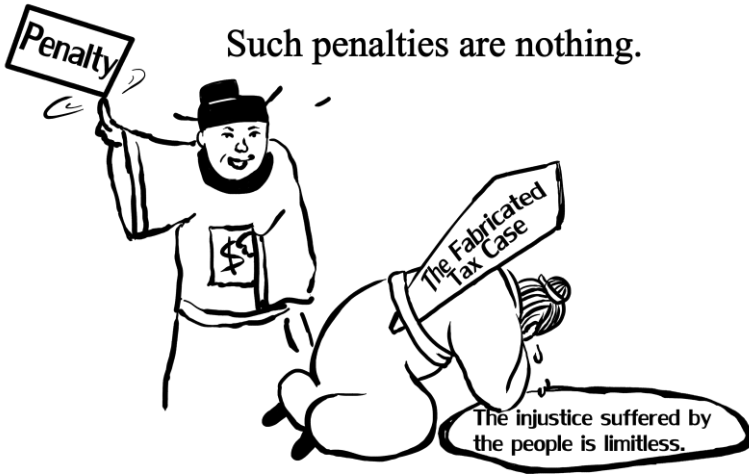
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Former legislator Chiu-chin Tien pointed out that this shows that taxpayers' rights do not exist. According to former legislator Shu-lei Luo, taxpayers will have no right until the Tai Ji Men case is resolved. Chao-hsin Lin, former Deputy Editor-in-chief of the China Times Weekly, also pointed out that the unfair treatment to Tai Ji Men from tax agencies is tragic not only to Tai Ji Men but also to this country. Hsing-chih Tu, incumbent Mayor of Chiayi City, stated when he was a legislator, that the unjust Tai Ji Men case shook the foundation of the five Yuans and this country.

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Absurdity 19:

While penalties on government officials are limited, the injustice suffered by the people is limitless



Prosecutor Kuan-jen Hou, who fabricated the Tai Ji Men criminal and tax cases of Tai Ji Men, was subject to proactive investigation by the Control Yuan, which sought to review Hou's investigation of Tai Ji Men. In 2002, the Control Yuan announced the results of its investigation, detailed eight major legal violations and referred this matter to the Ministry of Justice for disciplinary action. When investigated, Prosecutor Hou also admitted that he issued letters to the Ministry of the Interior and county and city governments to dissolve Tai Ji Men or to cut off water and

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electricity after issuing his indictment without the approval of his supervisor. He also seized all real estate owned by the Shifu and his wife simply based on unilateral testimonies of witnesses. He also confessed that he prosecuted without verifying if the so-called list of "victims" was true.

However, when the official document requesting a sanction against him from the Control Yuan arrived at the Ministry of Justice, the Ministry of Justice did not sanction Kuan-jen Hou, pursuant to law. Instead, it responded that it would "wait until the final criminal decision is rendered" and "passed-the-buck" to the Taiwan High Prosecutors Office "to investigate if he had any legal violation." Feeling that he had everything under control, Kuan-jen Hou made a high-profile statement on May 1st, 2010 via the United Daily News, stating that his practice could withstand all kinds of tests; and misrepresenting that the Control Yuan's investigation had only been conducted by one member of the Control Yuan who subsequently went to Tai Ji Men to claim appreciation right after the investigation. Hou's purpose was to criticize the unfairness of the Control Yuan's investigation and smear the reputation of Tai Ji Men's Shifu and dizi. In fact, Prosecutor Kuan-jen Hou's eight major legal violations were jointly investigated by three members of the Control Yuan out of their own initiative and were concluded based on the joint resolution of 15 members of the Control Yuan. In addition, no member of the Control Yuan visited Tai Ji Men to claim appreciation after the investigation.

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Ultimately, the Taiwan High Prosecutors Office surprisingly concluded that "no illegality was found," completely denying the fair investigation of the Control Yuan and seriously undermining the credibility of the Control Yuan. The Taiwan High Prosecutors Office and the Ministry of Justice even both stated that the 10-year statute of limitation for disciplinary action against Kuan-jen Hou had been exceeded when he was not sanctioned by June 18, 2007 after the time of his act on in June 1997 and thus his liability could not be pursued. In other words, Prosecutor Kuan-jen Hou was not penalized in any way as a result of the Control Yuan's investigation. He was even promoted from a district prosecutors office to the Special Investigation Division and the Taiwan High Prosecutors Office and continued to serve as a prosecutor.

After 10 years and 7 months, when the not-guilty final third-instance decision on the Tai Ji Men case was rendered, the statute of limitation for the sanction had expired in June 2007. During the same ten-year period, the innocent Shifu and dizi of Tai Ji Men experienced excruciating pains and suffering while abusive and wrongdoing Prosecutor Hou could walk away with immunity thanks to the protection he had received from other officials during this period. This sequence of event is so unjust and is a slap on the face of jurisprudence.

Under the principle of a separation of five government powers, now that the Control Yuan had completed the

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investigation, the prosecutor's office could only penalize the wrongdoer pursuant to law, given that the statute of limitation was a non-issue. Moreover, before the final criminal decision was rendered, Prosecutor Hou's abusive prosecution and persecution had been ongoing. Therefore, the statute of limitation for his sanction should have begun on July 13, 2007 when the 10-year third-instance final decision was rendered and ended on July 12, 2017.

In addition, had the statute of limitations for the sanction had expired in June 2007 as asserted by the Ministry of Justice and the Taiwan High Prosecutors Office, why would the Taiwan High Prosecutors Office have summoned the Shifu and his wife and Tai Ji Men's dizi such as Tiao-hsin Chen for interrogation for four times on October 30, 2007, December 17, 2007, February 22, 2008 and March 6, 2008 to verify the legal violations of Prosecutor Hou? And why would the Ministry of Justice have issued a circular dated March 11, 2008 to indicate that the Taiwan High Prosecutors Office was still investigating Prosecutor Hou? It is obvious that the "10-year statute of limitation for the sanction" was just an excuse to cover-up for another government official.

Later, the Control Yuan issued a correction against the Ministry of Justice on December 15, 2010 for its delay tactics to cause the expiration of the statute of limitation and get Prosecutor Hou off the hook of legal penalties. The

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Control Yuan also remarked: "This matter does not merely pertain to an individual sanction case involving a specific prosecutor who has abused his authority but rather deals with a solemn issue of the Control Yuan's duty and the operation of the Constitution. Therefore, the Executive Yuan should be advised to admonish the Ministry of Justice for this case and to truly reflect upon itself so as to maintain the constitutional rule of law." Yao-peng Yeh, a former member of the Control Yuan, even remarked that in the face of the Control Yuan's investigation conclusions, the Ministry of Justice and the Taiwan High Prosecutors Office should have imposed the sanction with no need to re-investigate this matter again. The most serious ramification of this matter is the impairment to the constitutional system, since the Ministry of Justice under the Executive Yuan and the prosecutorial system below it could overturn a decision rendered in the constitutional system. Such a decision would be in contempt of the Control Yuan and the Constitution.

According to Jing-jin Wu, Associate Professor and Chairman of the Department of Law of Aletheia University, the Rome Statute executed in the International Criminal Court in Hague in 2002 contains two provisions concerning imputability: (1) the principle of administration pursuant to law, is not an amulet for protecting criminal acts, and (2) the statute of limitation should be properly applied. The spirit of the statute is to emphasize personal responsibilities. Lower

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tier officials should not avoid their liabilities, and their superiors cannot be immune from liabilities, either, if they sit idle and do nothing. Such practice is not subject to any statute of limitation. The spirit of the Rome Statute should also apply to Taiwan, because this is universal value.

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Absurdity 20:

***Oppressive officials were promoted for
levying illegal taxes***



The key person in the entire unjust Tai Ji Men tax case is former Finance Minister Sheng-ford Chang. Serving as the Director-General of the NTB of Taipei, the Director-General of the Taxation Administration, Vice Finance Minister and Finance Minister, he has been promoted all the way to the highest level of office and continues interfering with this case even today in an attempt to conceal his legal violations for concealing evidence, forging documents and stealing taxpayer's property in this case. Because he undercut the authority of the Presidential

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Office and the five Yuans and duped his superiors and subordinates until he stepped down, the unjust Tai Ji Men case still cannot be resolved.

Inaugurated as the Director-General of the NTB of Taipei in 2000, Sheng-ford Chang heard the statement of the Ministry of Education that "Tai Ji Men is indeed not a cram school" during a public hearing in the Legislative Yuan on December 21 of the same year. However, during his tenure, he always imposed taxes forcefully on Tai Ji Men by treating it as a cram school. In 2002 when he served as the Director-General of the NTB of Taipei, documents were forged. Specifically, the forged documents falsely stated that only 9 of the 206 survey forms to establish the intent of the funds claimed that the red envelopes were gifts, and such survey form information was not provided to the taxpayer for an explanation, pursuant to law. In addition, the taxpayer's request to review the files was rejected, and the survey form information was not provided to the Petition and Appeals Commission, which was misled into rejecting the administrative appeal of the taxpayer.

Later, when he was clearly aware that the preservation of tax assets was absolutely not an issue since the taxpayer's assets had been completely frozen and subject to the NTB's prohibition against disposal, he forged a government document by indicating an earlier issue date in the document

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to cover up the fact that he should not have continued to seek compulsory enforcement when he was aware that the assets had been unfrozen and the Shifu and his wife were collateralizing their assets. With the taxpayer completely in the dark, he proceeded with the compulsory auction and seized all the proceeds. It was not until the Taipei High Administrative Court found such illegal acts as a result of its investigation that Sheng-ford Chang returned the proceeds from the illegal enforcement in the name of tax refund, which is just like an embezzlement of the national treasury. However, he has still refused to return the interest accrued from such proceeds.

Later, Sheng-ford Chang continued to be promoted. When he was the Vice Finance Minister and the Chairman of the Petition and Appeals Committee, he ignored the fact that he had issued tax bills when he was the Director-General of the NTB of Taipei and failed to recuse himself pursuant to law while he acted as a player and referee at the same time. He not only dictated the examination of Tai Ji Men's administrative appeal but also illegally rejected the appeal. In June 2012, Sheng-ford Chang was promoted to Finance Minister and two months later, the minutes of the inter-ministerial meeting of the Executive Yuan vanished. As a result, the NTB overturned the resolution adopted in the meeting, ignored the fact that the results of the open survey all suggested that the red

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envelopes were gifts and imposed taxes forcefully again.

It was said that since the tax investigation bonuses had been distributed, the promotion of officials had been completed, and Sheng-ford Chang was afraid that he would be removed from office and be held criminally liable if his multiple offenses in the illegal levy of taxes in this case were exposed, he had to stick to his mistakes and erred time and again. By continuing to initiate the tax levy procedure, he attempted to rationalize his illegal tax levy, releasing him from criminal liabilities and lay a golden path for his career in the government through the mistakes, incompetence and failure of administrative remedies.

On May 12, 2016, when the entire Cabinet resigned before the helm of the nation was handed over to the new government, the NTB of Taipei violated due process and administrative procedures and ambushed Tai Ji Men's dizi with telephone interviews based on biased questionnaires and requested fax transmission of data to the NTB in 15 minutes in an attempt to manufacture evidence unfavorable to the taxpayer. The unannounced and abrupt move of the NTB of Taipei, before Sheng-ford Chang stepped down has caused the suspicion that the NTB had attempted to fabricate evidence, once again, during the transition period of the Cabinet so that the incumbent and succeeding officials would be compelled to accept the status quo and

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accept the "hot potato", and continue to collect taxes forcefully.

Working successfully in the government for decades, Sheng-ford Chang will retire safely and comfortably after enjoying his promotion and tax investigation bonuses, while the taxpayer will still be caught between canceled and revived illegal tax bills and suffer excruciating pains.

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V. Advice of a renowned US human rights lawyer



Professor Kenneth Jacobson, who is a renowned human rights lawyer and legal counsel to former U.S. President Clinton, a core member of a Democratic team for Hillary Clinton and a professor in the law department of Temple University in Philadelphia in the U.S., visited Taiwan to attend the "Fabricated Case and Transitional Justice" public hearing in the Legislative Yuan on May 9, 2016 and to share his view on the unjust Tai Ji Men case after nearly two years of exploration into this case in his paper titled "Transitional Justice for Tax Collection – the Tai Ji Men Case as an Example" .

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"I know you have elected a woman president who would shortly take office on May 20. I hope that we will also see the first woman president in the history of the U.S. this November. I am here to speak as a scholar and expert in the rule of law and due process.

The independence movement of the U.S. was derived from struggles against taxation

The Tai Ji Men case interests me immensely because the U.S. was actually founded when its citizens struggled against the tax regime. At that time, immigrants from England were still taxed by the British government and had no say as to whether and how much they would be taxed. Their protest to the British government was simply ignored.

One night, a group of residents of the colony impersonated as Indians rowed canoes towards a vessel loaded with British tea. The U.K. had announced that the shipment of the tea to the colony would be taxed, and that the residents of the colony would have to pay taxes if they wished to buy the tea. The colony residents took the tea away, poured it into the Boston Harbor and set the vessel ablaze. This kicked off the 1776 U.S. Revolution, in which war was declared against the U.K. for our independence. This was a war against unfair taxation.

John Marshall, a very well-known former Chief Justice

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in the Supreme Court of the U.S., signed the Declaration of Independence, proclaimed the independence of the U.S. and signed the Constitution of the U.S. When serving as a Chief Justice in the Supreme Court of the U.S., he wrote: "the power of taxation is the power of destruction."

Tax disputes should be resolvable through remedy procedures

The tax authority, known as the Internal Revenue Service (IRS), in the U.S. is a very powerful agency. The U.S. citizens dislike the IRS because no one desires to give their money to the government. Some people hate the IRS with a passion, while some others are afraid of it. However, most Americans are not afraid of the IRS, because you can file an honest and fair complaint within the system. If they cannot receive satisfactory remedies from relevant agencies, they can bring them to court. The court will protect taxpayers from persecution if the IRS's conduct is improper.

The foundation of the U.S. is the rule of law and due process, as is Taiwan's foundation. However, what is the meaning of law if the constitutionality of a law cannot be addressed in court? If government officials do not accurately interpret and carry out laws and regulations and the people cannot question or challenge laws and regulations, is that the rule of law? We are in a country under the rule of law, not

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the rule of man, a principle established in the constitutions of both Taiwan and the U.S.

Separation of government powers and checks and balances

When creating the Constitution, the U.S. deliberately avoided the power abuse by Britain and British monarchs. Therefore, there is a president in the U.S., as in Taiwan, both with limited powers. The founders of the U.S. government not only did not wish for too much power possessed by individuals, nor did it want too much power concentrated in government departments. That is why we have executive, judicial and legislative branches, and there is no government agency endowed with too much power.

I think there is a very wise arrangement in Taiwan, namely, the Control Yuan who's responsibility is to investigate improper conduct of government officials and government agencies in addition to your Examination Yuan. Therefore, our systems are very much alike as both do not want too much power in the hands of individuals or even government agencies.

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Due process is a fundamental principle of the rule of law

I believe our systems are also very similar in another aspect. We truly believe in the concepts of the rule of law and due process. Due process is so important that it appears in two articles of the U.S. Constitution.

The 5th Amendment to the U.S. Constitution ensures due process to counterbalance any federal official and agency. When the scope of the 5th Amendment was no longer clear, the U.S. Constitution was amended again, resulting in the 14th Amendment, which specifically prevents the government from violating the personal rights of the citizens.

I specialize in due process, which covers many aspects, even sports law. If a university seeks to recover a scholarship from a specific student or athlete, the student also has rights under due process.

The Tai Ji Men case in Taiwan shows a lack of due process.

I wrote a special paper on the Tai Ji Men tax case after researching this case for nearly two years. I do not feel that I can find a case involving more due process violations than the Tai Ji Men tax case.

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In the same matter where two district prosecutors did not find anything unlawful, another ambitious attorney in a totally different district decided to take a four-month action against Tai Ji Men. This was not due process. The people were neither informed in advance nor given any opportunity to prove the illegitimacy of the seizure. Seizure of property in this fashion did not reflect due process, either. If an individual is detained when evidence is still being searched, that is further from due process, which requires evidence before apprehension.

Accusing an individual of raising goblins in a modern society is not due process, either. Such statement would call into question the sanity of the prosecutor, and such ludicrous accusation should not be accepted in any court. In addition, that the determination of the Ministry of Education that Tai Ji Men was not a cram school was ignored by the prosecution and tax agencies did not fulfill due process, either.

Taiwan's tax system does not follow due process

The NTB did not fulfill due process when repeatedly issuing tax bills based on an indictment abandoned in three instances of criminal trial. The government did not fulfill due process, either, by altering the results of a survey conducted pursuant to an inter-ministerial meeting of the

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Taiwan government to resolve the case involving persecution against Tai Ji Men once and for all.

When the Taipei High Administrative Court and the Supreme Administrative Court rendered decisions in favor of Tai Ji Men, they remanded the matter to the original tax collectors, who had earned rewards for investigating tax evasion, and the NTB that had issued the tax bills, that also did not fulfill due process.

A taxpayer has been caught in endless loops between administrative courts and the Ministry of Finance where NTB officials can put mental pressure on the taxpayer and waste the time and money of the taxpayer by issuing the same tax bills time and again continuously for 10, 20 years, that is further from due process.

Righting past wrongs through transitional justice

"Transitional justice" is a very important concept. Righting past wrongs is not only a right but also an obligation of the new government. I believe the people voted for the new government in order to correct these mistakes.

The slavery system in the U.S. still existed for over 100 years after the enactment of the Constitution. Abraham

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Lincoln is one of the greatest U.S. presidents because he emancipated black slaves and put an end to the slavery system. Such decision of his caused the Civil War in U.S., which was nearly split up. However, this was the right thing to do; otherwise, would an unjust system be allowed to continue for another century?

Women did not have the right to vote in the U.S. during the 1920s, and the Supreme Court rendered an erroneous decision to deny such right. President Wilson lobbied the congressmen to pass a constitutional amendment. Later, the Congress adopted the 19th Constitutional Amendment to guarantee women's suffrage. Had we continued the past policy to deny women's suffrage, how could a woman have run for president? Of course she would not have.

In the 1960s and 1970s, blacks were not allowed to share a drinking fountain with whites in the U.S. or to attend the same public school or take the same bus. President Wilson passed the Civil Rights Act, which ensures that all people shall have the same rights regardless of their race, color, creed and ancestry.

Had the U.S. government failed to pursue transitional justice in the above cases, African Americans would still have been discriminated or enslaved, and women would still have been denied the right to vote.

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The new government should right the wrongs in the Tai Ji Men tax case

I believe that the government will definitely correct past mistakes. I do not just teach my students that 'it is never too late to do the right thing,' I also live by this maxim and correct my own mistakes as well.

Now it is your turn to tell your new President, your new Premier and your new Finance Minister, who will be inaugurated soon, to do the right things, because it is the right, fair and just thing to do. It is about time to do that for Tai Ji Men's Shifu and dizi who have been persecuted for 20 years in the unjust Tai Ji Men case.

I think these great presidents had courage to make changes. For example, with respect to the Civil Rights Act, President Wilson came from Texas, a very conservative state in the south of the U.S. and also a state with relatively worse racial discrimination. When pushing for the Civil Rights Act, President Wilson was facing tremendous criticism from his own political party, friends and allies, but he knew it was the right thing to do and he did it with tremendous courage.

We need leaders with such courage rather than those who have adhered to doing things in the same way in the past. What is great about politics, particularly in the U.S. right now, is that the people do not have a definite idea about how reform should be conducted or how the country

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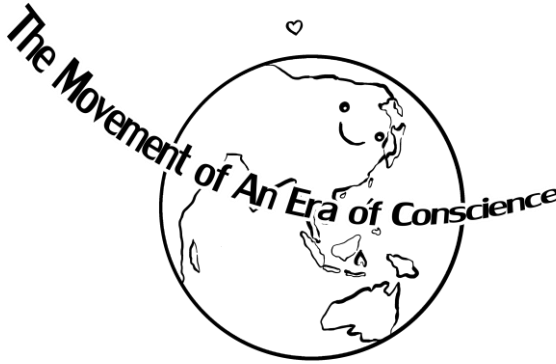
should be run. Donald Trump may wish to govern our country this way while Hillary Clinton may have her ideas about the governance of the country. Whether you agree with them or not, they both advocate their ideas with great efforts. Bringing changes to the country requires courage.

I believe 20 years of suffering is a violation of human rights. 'Justice delayed is justice denied.' Tai Ji Men's case has dragged on for 20 years and justice is still not done even today. To me, that is truly unjust. I am really disturbed or even uneasy. It is outrageous that a few individuals could cause the denial and delay of justice and could hijack the entire government. Like I previously said, the mechanism that separates government powers is supposed to prevent this and avoid putting so much power in the hands of any individual or any government agency.

I am optimistic about your new President and think it is about time that the new President or the new Finance Minister put an end to the persecution."

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VI. Much ado about nothing



Tai Ji Men is an ancient menpai (similar to school) of culture, qigong, martial arts and self-improvement. It is a treasure trove of traditional Chinese culture and holds the key to unlock the origin of wisdom. The culture of Tai Ji Men is deeply rooted in the Tao wisdom, inheriting one of the highest philosophies of mankind, which has been passed down and practiced in a cloistered tradition since ancient times. Dr. Hong, Tao-Tze, the contemporary Zhang-men-ren (Shifu) of Tai Ji Men, established Tai Ji Men Qigong Academy in 1966 to accommodate the needs of society as many people are mentally and physically out of balance. Dr. Hong teaches his dizi the philosophy of yin and yang and

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life wisdom and guides them to practice qigong, cultivate their moral character and purify their hearts, strengthening their physical, mental and spiritual health. Through different qigong practice techniques and self-improvement, Tai Ji Men dizi learn to reach the highest state of the unity of the heart and qi (energy) and the harmony between heaven and mankind, find their true selves and return to their original purity.

Tai Ji Men Qigong Academy is an international non-profit organization of culture and self-improvement, and its central doctrine is "nurturing the positive energy of the universe and following the good examples of the sages of all ages." Its aim is to promote the essence of traditional Chinese culture and advance the physical, mental and spiritual health of world citizens. In a spirit of universal love under the guidance of the Shifu, Tai Ji Men's dizi residing in different parts of the world and in all walks of life have inherited the inherent culture of ethics, etiquette and conscience and spread the seeds of love and peace worldwide.

Sharing the same vision, the Shifu and dizi, as of September 2016, had visited more than 200 cities in 66 countries, conducting more than 2,000 cultural performances to promote civil diplomacy and to show the beauty of the Chinese culture to the world. Peace and human

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rights education has been taught in more than 300 schools. Over 20,000 public interest symposiums have been conducted to share the philosophy of yin and yang and life wisdom, and over 10,000 inspiring true stories have been covered by global media. In addition, over 1,000 episodes of inspirational TV programs have been produced and broadcast on regional stations as well as on Tai Ji Men's website, which has received over 55 million visitors. In 2014, the movement of "An Era of Conscience" was launched and received the support of 196 countries. In 2016, the Global Endorsement of the Declaration of World Citizens was launched, received enthusiastic responses at the 66th UN DPI/NGO Conference and had been supported by 60 countries as of September 2016.

Although Tai Ji Men is a long established and internationally acclaimed organization which has dedicated itself to the dissemination and promotion of cultural heritages and should be protected and recognized by this country, it has been persecuted by the judiciary and tax agencies. Even so, the promotion of the traditional Chinese culture and love and peace by Tai Ji Men's Shifu and dizi has never stopped. Rene Wadlow, president of the Association of World Citizens, NGO in consultative status with ECOSOC and associated with the UN DPI, remarked: "I have been exposed to all kinds of organizations which have suffered from human rights persecution, but I have

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never seen an organization like Tai Ji Men, which has persisted in promoting love and peace in Taiwan and other parts of the world even though it has suffered such grave injustice. What is even more remarkable is that the members of this organization have been self-sufficient without raising any funds from the public."

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Unjust Tai Ji Men case resembles a mirror that reflects vicious problems



According to Ying-hua Hong, a judge in the Taipei District Court, the two pains inflicted by the state upon its people include the tax law and the criminal law. One of the pains inflicted by the judiciary on the people is sluggish progress of trial. Tai Ji Men's criminal case was tried for 10 years, while its tax litigation has dragged on for nearly 20 years. These are both reflective of sluggish process in a flawed system, for which the victims have paid a dear price.

Shih-chou Huang, Associate Professor of the Department of Public Finance and Tax Administration of

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National Taipei University of Business, believed that the unjust Tai Ji Men case was caused neither by erroneous application of law nor by any calculation error. Instead, the problem lied in the fact-finding mistakes. He also pointed out that "the unjust Tai Ji Men case is like a mirror that reflects the many tax regime issues which cannot be addressed."

According to Jing-jin Wu, Associate Professor and Chairman of the Department of Law of Aletheia University, the Tai Ji Men case is a mirror that reflects problems in the judiciary and the tax system. Tien-tsai Lin, President of the Taipei, Kinsmen and Matsu Chapters of the Legal Aid Foundation, remarked that Tai Ji Men's determination to adhere to justice and truth is just like a mirror that reflects the tax law black hole in Taiwan. But for the Tai Ji Men tax case, the tax law in Taiwan is reflective of what existed in the 18th century. He pointed out bluntly that the Tai Ji Men case regressed the taxpayers' rights in Taiwan by 200 years.

According to Professor Tze-lung Chen of the Department of Law of the National Taiwan University, there is separation of prosecution and trial under criminal law. However, there is no separation of taxation and tax trial, and the "tax game is often rigged" and judges who are guided by tax collectors, do not have adequate freedom and are required to rule according to administrative circulars and

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directives. Therefore, thorough transitional justice is required. The unjust Tai Ji Men case was fabricated in the past as a result of suppression of illegal cults. For such a "fabricated" case, there was no evidence, but the prosecutor's made-up income became the basis for real taxation. "If the evidence was fabricated, it should be discarded, and a sincere apology should be offered, and this case should be ceased as soon as possible," said Professor Chen. Bureaucratic processes from the Ching dynasty of China should not exist in 2016.

According to Chung-mo Cheng, former Grand Justice and Vice President of the Judicial Yuan, Article 76, Paragraph 3 of Japan's Constitution begins by stipulating that judges should be "conscientious" first before they carry out their trial duty independently, pursuant to the Constitution and laws. In the public law and private law in Taiwan, be it substantive or procedural, the word "conscience" never appears. There is no presentation of facts without evidence, and anything derived from inaccurate presentation of facts will always be problematic. The Tai Ji Men tax case is indubitably an unjust case. The constitutional system has a problem. A case like the Tai Ji Men case should have been resolved by three powers of the government. Under Article 117 of the Administrative Procedure Law, if the tax disposition is erroneous, the tax bill should be cancelled to eliminate the taxpayer's

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complaint so that Tai Ji Men can continue to contribute to society. He hoped that government agencies would not abuse their powers and that relevant agencies should respect legal principles under the Constitution and conduct administration under the principles of fairness and justice and pursuant to law. Powerful agencies should abandon their arrogance and hear the people's cry for justice.

Termination of unjust cases by the government by following evidentiary rules

For 10 years and 7 months, the fabricated Tai Ji Men criminal and tax cases were investigated and examined by 14 judges, cross examined by 8 prosecutors, and testified by over 200 witnesses, including personnel of the NTB. 12 boxes of evidence for this case were presented and debated exhibit by exhibit during court hearings. 58 court hearings lasting 9,570 minutes were conducted during the first and second instances of trial. Finally on July 13, the Supreme Court rendered a final not-guilty decision, which held that there was no fraud, tax evasion, or violation of the Tax Collection Act and concluded that "since the red envelopes provided by the dizi to the Shifu were gifts in nature, they were tax-free income under Article 4, Subparagraph 17 of the Income Tax Law" and "the collective procurement of costumes for practicing qigong by some dizi for other dizi

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was not conducted for sake of profit-seeking business" and had nothing to do with the Shifu and his wife. This also marks the first high profile legal case in which lower court decisions were never remanded. In 2009, Tai Ji Men's Shifu and dizi who were illegally detained all received national compensation for wrongful detention.

The Control Yuan even conducted active investigations of this case three times, holding that the prosecutor and tax agencies had multiple counts of legal and human rights violations. When visiting the Executive Yuan, the members of the Control Yuan also requested the Executive Yuan to handle this case fairly. After learning about the unjust case, the Presidential Office also issued a letter to the Executive Yuan, requesting that this case be dealt with pursuant to law. To resolve this troubling issue for the people, the Executive Yuan conducted an inter-ministerial meeting to discuss ways to terminate the unjust case. From 1999 until now, over 250 legislators have discharged their duties by accepting petitions, countersigning proposals, conducting coordination and interpellation and organizing public hearings to request the NTB to cancel illegal tax dispositions. The administrative court and the Petition and Appeals Committee of the Ministry of Finance even set aside illegal tax bills 17 times. However, the tax agencies have been abusing their authority, operating without restraint, and undercut the authority of the Presidential Office and the five powers of the government on top of the inherent tax regime

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issues that give rise to everlasting tax bills, fabricated cases and false tax bills which still cannot be eliminated completely.

Professor Dr. Claudius Petzold, an international law professor, a former prosecutor in Germany and currently an associate professor in Fu Jen Catholic University, remarked that if the fabricated Tai Ji Men tax case took place in German, it would be a small issue involving an erroneous tax bill issued by a tax collector which would be clarified and resolved quickly. He could not understand why this would escalate into a major case. He said that there is no politically oriented fabricated case in Germany, and the government has pragmatically dealt with all matters based on their merits. In contrast, this has become a perpetual case impacting numerous government budgets, administrative resources, judicial resources and social costs going down the drain, not to mention the monetary harm to the taxpayer and the destruction to the credibility of the institutions of the country.

According to Dr. Fu-long Lien of the EU Law Research Center of National Taiwan University, the martial law mindset in Taiwan has not been abandoned with the lifting of the martial law in Taiwan. He cited the example of the Basic Law of Germany, which provides that state powers are derived from the people's authorization. Germany was the first country that puts human rights above state powers. In

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addition, the Constitutional Court of Germany mentioned the duty to verify if the judiciary or administrative agencies violate the Constitution. This is a noble cause, since if the government itself breaks the law without seeking justice, it is tantamount to an organized group of bandits, which is more powerful than a mafia gang.

According to a statement of Legislator Shou-chung Ting during a public hearing conducted by the Legislative Yuan on December 21, 2000, in an era of administration pursuant to law, evidence and law are definitely required, and tax collection should be based on relevant laws. He also questioned the NTB: "Under the condition of collecting taxes to meet fiscal shortfall, can we simply set aside due process and justified legal basis just to achieve that objective?"

In the same public hearing, Legislator Li-lun Chu, who has accounting and finance backgrounds, remarked: "The justice and truth about the Tai Ji Men matter are quite obvious today," and "does our way of dealing the Tai Ji Men matter meet the simplest cost benefit principle with respect to the cost of taxation? Is it worth our while to cause such tremendous tax collection cost and social cost for tributes paid to a Shifu as part of the inherent Chinese ethic and culture? From this perspective alone, I feel that we are probably doing something quite insignificant, since we have so many things to do for the benefit of this society. How to

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conduct tax reform, how to achieve fair taxation, and how to truly reform the tax regime so that we have more stable overall tax revenues and tax bases are the things that really matter."

Mayor Hsing-chih Tu of Chiayi City stated when he was a legislator in 2010 that the injustice in the Tai Ji Men case was so serious that it could shake the foundations of the five yuan's and the nation. He urged the Ministry of Finance to calculate the social cost and the salaries of civil servants which have been wasted in this case. He believed that this case should not drag on any further. The NTB simply should not hold on to one legal provisions out of myriads of legal provisions to perpetuate the injustice. We have entered an era where the rule of law dominates and where government officials should not look for legal provisions to penalize the people. All agencies affiliated with the Executive Yuan should shoulder their own responsibilities without wasting the resources of this nation.

The tragic cases involving a banker in First Commercial Bank, wrongful indictment of Chien-ho Su and Tai Ji Men all resulted from poor quality prosecution, slow trials and a rigid system. As a result, the golden era of the victims' life was wasted. After being unlawfully imprisoned for political reasons, Mr. Yang Po became a human rights fighter and even served as the founding President of the Taiwan Branch of Amnesty International. In comparison, Tai

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Ji Men's Shifu and dizi hope that with their personal suffering of human rights persecution by the judiciary and tax agencies, they could revive the respect of basic human rights such as "taxpayers' rights" and "presumption of innocence" and put an end to any abuse of government authority so that basic human rights such as life, property, personality, reputation, thoughts and faith and personal freedom can be thoroughly protected and free from violation.

Thanks to the sacrifice and struggle of numerous people, judicial reform has been gradually underway. However, whether the judiciary has become a tool that safeguards the wellbeing of the citizens rather than a shackle that undermines human rights or whether taxation has been conducted in such a way that the government is justified for imposing taxes while the citizens are willing to pay taxes still requires all government employees within the judiciary and tax institution to reflect upon themselves and anticipate awareness and supervision of all citizens.

Justice delayed is justice denied. If false and fabricated cases are allowed to exist and continue, and if relevant civil servants who break the law are not sanctioned for their liabilities, many other cases like the Tai Ji Men case will continue to emerge, and the judiciary, taxation and government authority will all become political tools that devastate human rights.

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***Joint Statement of
Tai Ji Men's Shifu and Dizi***

This year (2015) marks the 50th anniversary of the Tai Ji Men Qigong Academy and the 20th year of the unjust Tai Ji Men case.

Nine years ago, the judiciary dealt with the unjust, fabricated and erroneous Tai Ji Men case and cleared the names of Tai Ji Men's Shifu and dizi. On July 13, 2007, the Supreme Court rendered a final decision finding the defendants not guilty and there was no tax evasion. The decision also held that the red envelopes provided by the dizi were gifts and tax-free income pursuant to law, and that the non-profit sale of uniforms conducted by among the dizi had nothing to do with the Shifu and his wife. In 2009, all innocent defendants who had been detained received national compensation for wrongful detention. This also indicated that grave injustice took place in this case and there was no tax issue involved.

Taiwan is a country with a separation of five government powers with each yuan fulfilling its own responsibility. Government officials should not work beyond their duty and authority or they will break the law. This is common sense to all citizens.

Human rights are universal values. They are natural

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rights. They represent human dignity. Human rights are about mutual respect. The Constitution specifically protects human rights, and all people are equal before the law.

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When the government breaches the contract and violates the spirit of the Constitution,

When the state power has degenerated into state violence,

Do the citizens choose to remain silent and tolerate state violence?

Or stand up and defend basic human rights?

Our choice relates to the future of this nation,

And the dignity and wellbeing of everyone.

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