

Chen denies flying money overseas

Written by Taipei Times

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Former president Chen Shui-bian's (陳水扁) office yesterday issued a statement denying allegations that Chen had taken advantage of his overseas trips to transport cash abroad.

The statement came in response to a story published by the Chinese-language China Times yesterday that quoted Palauan President Johnson Toribiong as saying that an unidentified wire of NT\$1.4 billion (US\$40 million) was routed through Palau's Pacific Savings Bank in 2005 to the US and other countries.

"I do not know where the money came from and where it went to. We have asked for judicial assistance from Taiwan [to probe this matter]," he was quoted as saying.

Chen's office yesterday asked the Ministry of Foreign Affairs (MOFA) and Supreme Prosecutor's Office's Special Investigation Panel (SIP) to clarify the matter.

It also requested the Taipei District Court to ask the media to refrain from reporting on details in a closed case on Chen's alleged involvement in secret diplomacy funds, which went on trial -yesterday, to protect the basic rights and interests of defendants.

The statement said Chen had denied on various occasions that he ever used the presidential plane to transport money abroad.

"As for whether MOFA ever takes advantage of such a channel to execute foreign aid projects, he was not certain," the statement said. "MOFA owes the public an explanation regarding the details."

At a separate setting yesterday, MOFA Spokesman Henry Chen (陳水扁) said the ministry would fully cooperate with the judiciary to provide any information requested, but added that it had not received any inquiries from authorities.

Meanwhile, the court yesterday began proceedings in the secret diplomacy funds case.

The SIP, in charge of probing the former president's alleged corruption and money laundering activities, said that as much as US\$330,000 in public funds earmarked for diplomatic relations were embezzled by Chen, former National Security Council secretary-general Chiou I-jen (邱毅) and former deputy foreign minister Michael Kau (高志彬), as well as two others whose bank accounts were used in the process.

They charged Chen with embezzlement on Sept. 22. This was in addition to the indictments issued last year that accused Chen and others of embezzling the presidential "state affairs fund."

Prosecutors allege that during Chen's term as president, he deliberately failed to return the remaining balance of government funds dedicated to improving foreign relations.

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Chen, Chiou and Kau are accused of violating the Punishment for Corruption Act (貪污治罪條例).

Because the diplomatic projects are classified, yesterday's court hearing was not open to the public. However, Chen's lawyer, Shih Yi-ling (謝宜玲), yesterday said Chen insisted on his innocence.

Chen's office said in a statement yesterday: "It has been two years since prosecutors launched the investigation into the case of secret diplomacy funds."

"Since then, much classified information regarding the case has been leaked to the media. It is bound to deal a serious blow to Taiwan's national interests," the statement said.

As the court hearing began yesterday, the statement said it coincided with the newspaper report on the case, in which all of the documents were classified as state secrets and should be banned from public access.

Because Chen and all defendants have received gag orders, the statement said, they are not allowed to defend themselves outside of court, making them victims of unfair media judgment.

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