



臺灣彰化地方檢察署新聞稿

Taiwan Changhua District Prosecutors Office Press Release

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Taiwan Changhua District Prosecutors Office Investigated the 'Alfred Wallet' virtual currency trading fraud case.

Seized over NT\$12.18 million in illegal proceeds from the account and prosecuted the case.

Taiwan Changhua District Prosecutors Office has been actively combating syndicated fraud. Recently, it was reported that a fraud group led by 3 men, surnamed Lin(林), Chen (陳), and Chen (陳) used virtual currency trading as bait to lure the public into investing, and the case was immediately assigned to Prosecutor Yao Ding-Lin for investigation. After the Prosecutor directed Changhua County Police Department Criminal Investigation Corps and Sihua Precinct to launch a search, the defendant Lin and 2 others were found suspected of crimes against the Organized Crime Prevention Act, Money Laundering Control Act, and Criminal Code Aggravated Fraud, etc.

In the investigation, the Prosecutor's claims to the Court regarding the detention of the defendants were approved, and all of the defendants' immovable property was seized, as well as two cars and bank deposits of NT\$12,186,698. The whole case was concluded with the filing of a public indictment. The prosecutor also requested the Court to confiscate the proceeds of crime to punish the defendants severely.

It was found that Lin and 2 others had organized a fraudulent group and first set up a physical trading shop in Taichung City, using the 'Alfred Wallet' APP (i.e., 'Alfred Wallet') created by ACE Digital Innovations Co., Ltd. (also known as ACE Exchange, from now on referred to as "ACE") and its reinvested Fuhai Digital Innovation Co., Ltd. ("Fuhai"), as well as the sale of the 'A+Card' virtual currency stored-value card, to engage in the mode of offline and over-the-counter trading of virtual currencies. In addition, the unknown fraud group created investment groups on Facebook, LINE and other social media to promote investment speculation, stating that investing in virtual currencies can yield considerable returns and that you can purchase Tether (referred as "USDT" hereafter) from specific coin dealers and remit them to the designated wallet address of your investment account. Taking advantage of the public's lack of understanding of virtual currency transactions and their trust in the products traded in physical stores, the defendants caused the victims to go to the physical shops to pay cash. They stored USDT in 'Alfred Wallet'. The defendants and others then took advantage of the operation and characteristics of the 'Alfred Wallet' custodial wallet, namely the anonymity of the currency flow that cannot be publicly inquired in the open account of the blockchain, the ability to tamper with the address of the user's wallet directly from the backend, the ability to control and dispose of the amount of virtual currency in the user's wallet, and the inability of the judicial authorities to retrieve the KYC information of the users of

the 'Alfred Wallet' system, which makes it difficult to trace the flow of the illicit money, etc., and joined with the criminal syndicates in committing the offences of fraud and money laundering. In this way, they committed fraud and money laundering with the criminal syndicates to make illegal profits, causing many victims to suffer property damage.

After receiving the report, the Changuha Prosecutors Office directed the police to collect evidence, and on 13th June 2024, searched six premises, requested the Court to detain Lin, Chen, and Chen , and was approved by the Court, and seized one piece of real estate and two cars in the name of Lin. Furthermore, the prosecutor requested the Court to rule on the seizure of bank deposits of NT\$12,186,698 under the name of Lin as preservation of the confiscation of the proceeds of the crime. After intensive investigation by the prosecutor, the case was indicted.

In this case, Chief Prosecutor Hsiao-Wen Chang reminds the public that there have been various frauds using virtual currency trading throughout the country. Fraud syndicates will design perfectly packaged investment scams that take advantage of the public's superstitious belief in the so-called freedom of wealth, their lack of understanding of the operation of virtual currency, the lack of risk associated with trading in a virtual currency storefront, the fact that they see an app's transaction records and think it is real, and the fact that they are attracted to new technology and conceptual goods. The public is attracted to new technology and conceptual products, and if they invest late, they will not be able to make it, etc., to lure the public into the scam, and most of them turn out to be frauds. Fraudulent practices will emerge in line with social and technological topics, and the public needs to be prudent in checking various investment myths so as not to be cheated. Changhua Prosecutors Office will carry out the 'New Generation Anti-Fraud Strategic Action Plan Version 1.5' issued by the Executive Yuan to hunt down fraudulent syndicates and decode the flow of illegal money during the investigation stage, as well as strengthen mechanisms for seizing the proceeds of crime, returning stolen goods, and enhancing care for victims of crime, aiming at maintaining social security and safeguard the safety of the people's property.

Learn more about anti-fraud tactics and fraud prevention steps!



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