

TAIWAN IN THE MODERN WORLD

Heijin

Organized Crime,
Business, and Politics
in Taiwan

Ko-lin Chin

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AN EAST GATE BOOK

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Part I

The Underworld

The Upperworld and the Underworld

Over the past two decades (1980-2000), the political and economic status of Taiwan, or the Republic of China (ROC), changed dramatically. When the United States ended formal diplomatic ties in 1979, Taiwan appeared to be on the verge of collapse: for almost thirty years, America was Taiwan's most important ally in her struggle against the Communist Chinese in mainland China or the People's Republic of China (PRC). In time, the ruling Kuomintang party (KMT) and the people of Taiwan showed their tenacity and resilience by gradually developing Taiwan's economy into one of the strongest in the world.¹ Chiang Ching-kuo, a son of Chiang Kai-shek who was then-president of Taiwan and chairman of the KMT, was credited with launching most of the energetic and successful economic programs (Scalapino 1996).² The world was so impressed with the economic vigor of a tiny, mountainous island with few natural resources, that it dubbed this period of economic expansion the "Taiwan Miracle" or "Taiwan Experience" (Gold 1986).

After Chiang Ching-kuo led Taiwan to its prominence among leading developing nations, he continued to push for political reform. Before 1985, Taiwan was basically governed by an authoritarian regime (Tien and Chu 1994). In 1985, Chiang announced that none of his sons would "run" for the presidency, thus effectively removing the Chiang family from the governing process after his death. He also lifted martial law in 1987, which had been in effect since the KMT moved to Taiwan in 1949, enabling citizens to enjoy greater freedom in their lives. Many draconian social control apparatuses such as curfews, censorship, and bans on public demonstrations were either abolished or removed from military control (Rigger 1999).

Chiang Ching-kuo also initiated many political reforms. In 1987, he lifted the ban on travel to mainland China. Then, as former mainlanders returned to China to visit families and friends whom they had not seen since 1949, not only did tensions ease between the KMT and the Communist Chinese, but also hopes were raised for an increase in cross-strait trade and investment (Leng 1996).³

After the PRC replaced Taiwan in the United Nations in 1971, and the United States established formal relations with the PRC in 1979, the KMT (or Nationalists) could no longer claim to represent all Chinese people. As a result, the KMT

had to fall back on the claim that it represented all the people of Taiwan, including mainlanders and Taiwanese (Scalapino 1996). However, as a political party established in China by mainland Chinese and later transplanted to Taiwan, the legitimacy of the KMT was also challenged by the indigenous Taiwanese who were the majority (almost 85 percent) on the island and lived there for centuries (Chen Ming-tong 1995). To strengthen its hold, the KMT had no choice but to bring more native-born Taiwanese politicians into their party. In the early 1980s, they began to hold more local, grassroots elections; eventually all local as well as national officeholders were elected through popular vote. Taiwan's first major opposition party—the Democratic Progressive party (DPP)—came into existence in September 1986. In January 1988, Chiang Ching-kuo died after serving as president for ten years (Tien 1996). The then-Vice President Lee Teng-hui, a Taiwanese with a Ph.D. from Cornell University, succeeded the presidency, albeit many KMT leaders were reluctant to allow a Taiwanese to be in charge of the country and the party. More years of political reform followed and brought about the peaceful, national election in 1996 of a president—Lee Teng-hui—for the first time in Chinese history (Rigger 1999).

For the last twenty years, a thriving economy and maturing democracy have enabled the people of Taiwan to enjoy unprecedented prosperity and freedom in the long history of the Chinese people. Not only did real estate and stock values skyrocket, but also the government itself had one of the world's largest reserves of hard currency. In the meantime, the press, the electronic media, and a variety of social, cultural, legal, and economic institutions were allowed to operate without much intervention from the powers that be. As Taiwan's relationship with China continued to improve after the ban on travel was lifted in 1987, there was a growing confidence that the country's future could only get brighter.

Unfortunately, however, as the world marveled at the evolving economic and political miracles in Taiwan, an embryo of a monster that later came to be known as "*heijin* (black-gold) politics" was taking form (Hsieh Chung-ming 1993; Tsai Shi-yuan 1998). In Taiwan, "black" (*hei*) means the underworld; "gold" (*jin*) means money or business. "Black-gold politics" was the penetration into politics of violent underworld figures and greedy business tycoons and the inevitable subsequent social ills such as vote buying, political violence, insider trading, bid rigging, and official (and unofficial) corruption (Tsai Shi-yuan 1998). This book is an analysis of how "black-gold politics" developed into a major problem during the past fifteen years and how it might have ended KMT rule in Taiwan during the 2000 presidential election after the KMT had been the preeminent political party in Taiwan for more than fifty years.

Gang Crime in Taiwan

Gangs and other crime groups have been an obvious fact of life in Taiwan since 1945, when China recovered the island from Japan after World War II.⁴ To pro-

tect themselves against native Taiwanese, the children of mainland Chinese formed street gangs in urban centers and later became involved in street fights and a variety of petty crimes. Native Taiwanese juvenile delinquents and adult criminals in the countryside normally belonged to local groups called *jiaotou*, and these groups were most likely to be involved in extorting money from businessmen within their turfs and operating illegal gambling joints (Pai Jai 1983).⁵

Serious clashes among gangs and *jiaotou* in the 1960s led authorities to launch several nationwide crackdowns on the underworld, an effort known as *saohei* or "sweeping away black societies" (Sheu Chuen-jim 1993). Leaders of the two largest mainlander gangs—the Bamboo United and the Four Seas—were arrested and sent to prison, and a large number of gangs and *jiaotou* were ordered to disband. Nevertheless, the number of gangs and *jiaotou* continued to grow; their penetration into the legitimate business sector in the early 1980s alarmed the public as well as the authorities (Chi Chung-shien 1985).

On October 15, 1984, three Bamboo United leaders—under an order from the head of the Intelligence Bureau of the Ministry of National Defense (IBMND)—arrived in the United States and killed Henry Liu, a Chinese-American writer in Daly City, California, who had written a defamatory biography of the then-president of Taiwan, Chiang Ching-kuo. After the three gang leaders returned to Taiwan, Taiwanese officials launched a major assault, code-named "Operation Cleansweep" or the Yi-ching Program, on crime groups throughout the country (Kaplan, 1992). Thousands were arrested, many of whom were sentenced to serve three years in prisons or rehabilitation centers in southeast Taiwan (Sheu Chuen-jim 1993).

In 1987, authorities abolished martial law, which had been in effect since the KMT moved to Taiwan in 1949 (Rigger 1999). Although this action was hailed as perhaps the most important step in Taiwan's political reform movement, the damaging impact on law and order in the country proved to be enormous. A former chief of police of a southern city observed:

Before the abolishment of martial law, the crime problem in Taiwan was a minor one. At that time, our main concern was the existence of gambling dens and commercial sex establishments. Even so, these businesses did not really pose major problems for us. After martial law was lifted in 1986, however, patrols of the coast became almost nonexistent, and as a result, it was easy to smuggle guns and drugs into Taiwan. That completely changed the crime scene here.⁶

As a result, gang violence escalated. Instead of fighting with knives or swords, most self-respecting gangsters carried firearms and did not hesitate to use them (Ker Su-len 1989a). Gun battles among crime figures led to a dramatic increase in homicide rates in the late 1980s (Hsu Fu-sen 1999). In short, the availability of handguns has enabled many desperate and daring young underworld figures to achieve their goal of making money in a society where wealth is so prized.

In 1987, Taiwanese authorities began to release major crime figures who had been arrested during Operation Cleansweep (Chen Ji-fang 1988a). After these underworld leaders regained their freedom, they began to fight for the command of the gangs they had relinquished to younger leaders. At the same time, some of them became active in business and politics and transformed themselves into businessmen and politicians. Instead of being called a "big brother," a gang leader-turned-businessman might call himself *dongshizhang* (chairman of the board) and a gang leader-turned-politician, *mindai* (elected representative) (Jin Shi 1989; Ker Su-len 1989b).⁷ The release of these seasoned gangsters no doubt disrupted the fragile order that had been established by the younger leaders in the aftermath of Operation Cleansweep. The emergence of the Celestial Alliance—an underworld alliance formed in prisons by Taiwanese crime bosses who were arrested during Operation Cleansweep—also resulted in a number of bloody conflicts between the gang and its rivals (Chen Ji-fang 1988c; Yang Ji 1989).

In 1990, Taiwanese authorities came to the conclusion that another crackdown was needed in order to smash the rapidly expanding Celestial Alliance. As a result, "Operation Thunderbolt" or the Shiun-lay Program was launched, and thousands of crime figures were arrested; many other gang leaders fled the island, and another large number of them was not targeted for unknown reasons (Chao Mu-sung 1990e).

In the early 1990s, as Taiwan became more democratic and various political parties emerged, many gangsters became convinced that the best way to protect themselves from future crackdowns was to transform themselves into popularly elected deputies. Gangsters of mainland descent who did not have close ties to indigenous people were more likely to become board chairmen and general managers of business firms. Thus, in the early 1990s, a large number of gangsters had penetrated in either the political or economic arena of Taiwan, or both.

The involvement of gangsters in politics and business forced government authorities to carry out a third major gang-sweep, "Operation Chih-ping," in 1996, which targeted gangsters who were local politicians (Baum 1996; Ministry of Justice 1998). Even though only a small number of politicians were actually arrested, the dramatic process—arresting key crime figures and immediately transporting them by helicopters to a prison on a remote island—gave the public the impression that the authorities were determined this time to wipe out the gangsters in politics and business (Lin Hsin 1996a).

Unfortunately, while Operation Chih-ping was underway, three extremely brutal, but apparently unrelated, attacks against powerful public figures occurred. First, on November 21, 1996, Liu Pang-yo, the commissioner of Taoyuan County, was shot to death inside his mansion, along with two county councilors, five colleagues, and Liu's bodyguards (Yang Ji-jin, 1999). Second, Perng Wan-lu, a high-ranking female DPP member, was murdered in Kaohsiung (the second largest city in Taiwan) after she attended a DPP meeting. Third, on April 14, 1997, the teenage daughter of Pai Ping-ping, one of Taiwan's most popular and well-

connected female entertainers, was kidnapped, tortured, raped, and murdered (Lo Sung-fan 1998). The entire island was shocked. On May 4, 1997, tens of thousands of people gathered in protest in front of the office of the president in Taipei, and demanded that President Lee Teng-hui take responsibility for the murders.

Since then, people in Taiwan continue to be outraged by the deterioration of law and order in their society. Statistics show that the crime rate in Taiwan almost tripled between 1961 and 1997 (Hsu Fu-sen 1999). Neither Perng Wan-lu nor Pai Ping-ping's daughter were murdered by gang or *jiaotou* members; and although the murderers of Liu Pang-yo are still at large, most people believe that Taiwan's underworld was responsible for these bloody events. For the people of Taiwan, the problem of crime is basically a problem of organized crime, be it mainland gangsters or Taiwanese *jiaotous*, or both. It is widely believed in Taiwan that, if gangsters and *jiaotou* figures were removed, law and order could be dramatically improved.

Heidao: The Underworld of Taiwan

The Chinese often use the generic term *heidao* (the black way) to denote the underworld and *baidao* (the white way) to denote the upperworld. Gangsters are often labeled as *heidao renwu* (gang figures), *dao shan de* (people of the way), and *you heidide* (people with shady background). Those who view themselves as *heidao* figures usually try to differentiate themselves from those common criminals who victimize ordinary people. People who belong to both *heidao* and *baidao* or who could not be easily identified one way or the other are called *huidao renwu* (gray way figures). Besides *heidao* figures, there are also tens of thousands of secret society members who belong to one of the two legendary organizations: the Hung and the Qing (Chi Chung-shien 1984; Chin 1990). Members of the Hung and Qing societies do not view themselves, nor are they labeled by society at large, as *heidao* figures, even though some members may belong to various crime groups.⁸

Deciding whether a person is a *heidao* figure or not has always been a challenge for the media, the public, and the law enforcement community, not only because it is an all-purpose term, but because the word is morally and politically charged (Tsai Tun-ming 1985). Moreover, there are other terms that officials and journalists apply to a group of people who presumably do not belong to the law-abiding, mainstream society. These terms refer to categories of persons that include:

1. Hoodlums or hooligans: According to the Statute for Punishment of Hoodlums (the Anti-hoodlum Law), a hoodlum is anyone who is involved in one of the following activities: (a) participating in a gang; (b) weapons possession, production, transportation, and selling; (c) extortion; (d) gambling, prostitution, and debt collection; and (e) habitual loitering. The main difference between hooli-

ganism and ordinary criminality is the level of damage to social order. The former is considered to have significantly more impact on social order because hooligan activities are considered to be (a) not victim-specific (victims are randomly picked by offenders), (b) predatory, and (c) chronic. Any criminal act that meets one of the above three characteristics is defined as hooliganism (Judicial Yuan 1992).

2. Gang figures: People who belong to criminal gangs, especially the ones dominated by mainlanders, are considered gang figures.

3. *Jiaotou* figures: Leaders and members of territorial groups established by Taiwanese are called *jiaotou* figures. At any given time, there are about one thousand small and large *jiaotou* groups in Taiwan.

4. Brothers: Many gang and *jiaotou* figures prefer to call themselves *xiongdì* or brothers. From their viewpoint, brothers are members of an unconventional subculture who may be involved in illegal activities but who also strictly adhere to a set of norms and values that cherish loyalty and righteousness. These norms and values also prohibit them from victimizing the poor and the weak. Leaders are called big brothers, and followers, little brothers.

5. Petty criminals: People who are involved in such opportunistic crimes as theft, fraud, embezzlement, and robbery are viewed as petty criminals. They often commit those acts individually or in small groups and are considered to be lacking in rules or values.

It is not always easy to differentiate the above-mentioned five types of individuals who are considered to be part of a criminal subculture. For example, according to the Judicial Yuan of Taiwan: "Robbers and thieves are not hooligans; hooligans are mostly *heidao* members but not all *heidao* people are hooligans" (Judicial Yuan 1998: 6-7).⁹ At any rate, before the implementation of the Organized Crime Prevention Law in 1996, the only way the authorities could arrest and punish a career criminal was to accuse him of being a hoodlum according to the Anti-hoodlum Law. As a result, most chronic offenders, including gang members, *jiaotou* figures, and brothers are often processed as hoodlums in the criminal justice system. Petty criminals are normally charged according to the Criminal Law.

In Taiwan, the government categorizes not only criminal individuals, but also criminal organizations; they are separated into three types:

1. Organized type: These groups are bigger and better organized than the other two types of groups. Members are predominantly offspring of mainland Chinese who followed Chiang Kai-shek to Taiwan in 1949. Some of the most powerful organized gangs in Taiwan are the Bamboo United, the Four Seas, the Celestial Alliance (the only Taiwanese organized gang), the Pine Union, and the Pei Lien. Although these groups may have hundreds, even thousands of members, they normally do not have their own territories, even though these gangs have many branches across Taiwan and overseas.

2. *Jiaotou* type: These groups are territorial in nature and members are mainly

Figure 1.2 National Government Organization of Taiwan

