

TAIWAN IN THE MODERN WORLD

Heijin

Organized Crime,
Business, and Politics
in Taiwan

Ko-lin Chin

Heijin

TAIWAN IN THE MODERN WORLD

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HEIJIN

*Organized Crime, Business, and
Politics in Taiwan*

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Business, and Politics
in Taiwan

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AN EAST GATE BOOK

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An East Gate Book

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To my wife, Catherine

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Part I

The Underworld

1

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

Figure 1.1 Map of Taiwan



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.

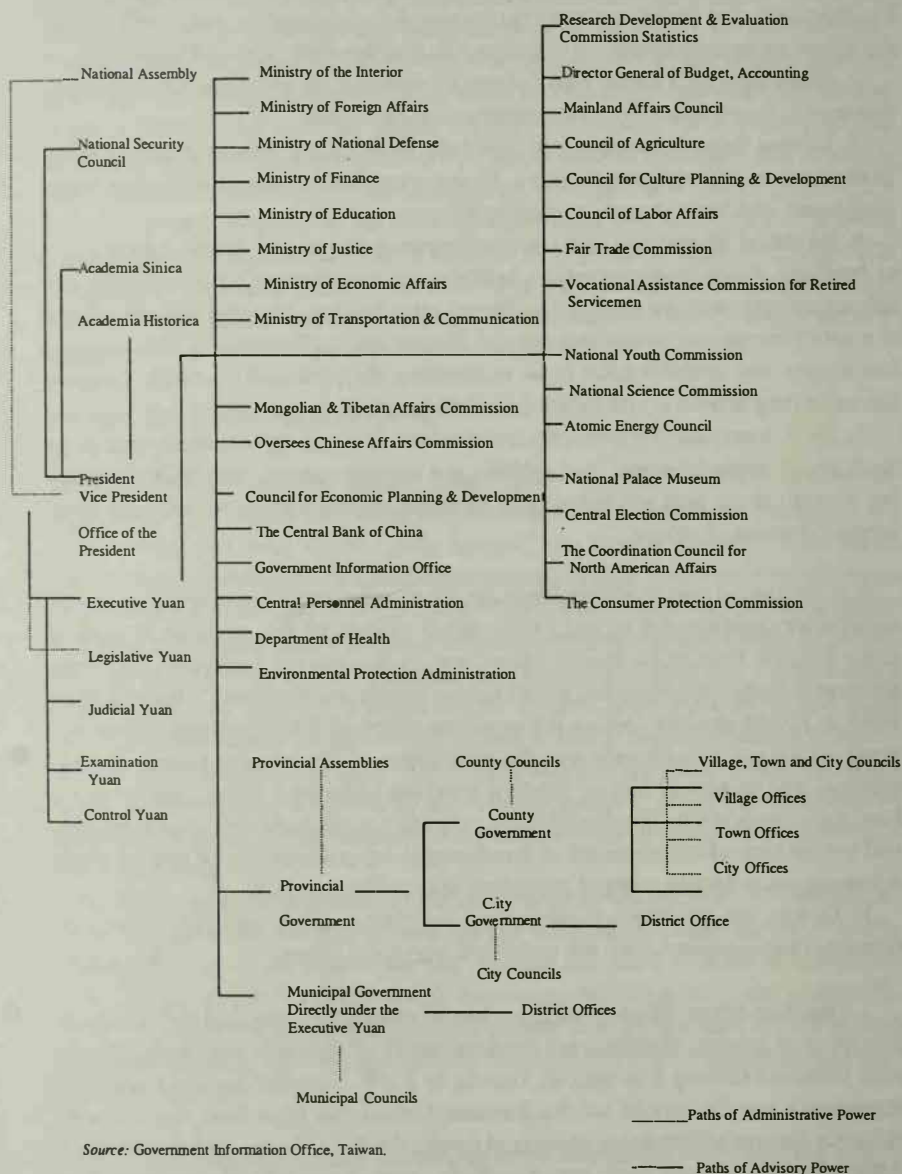
It is not always easy to differentiate the above-mentioned five types of individuals who are considered to be part of a criminal subculture. For example, according to the Judicial Yuan of Taiwan: "Robbers and thieves are not hooligans; hooligans are mostly *heidao* members but not all *heidao* people 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



Source: Government Information Office, Taiwan.

Taiwanese. The groups are relatively small, with membership ranging from twenty to fifty individuals. There are generally only two types of positions within a *jiaotou* group: *laoda* (big boss) and *xiaodi* (little brother).

3. Loosely knit type: These groups are even smaller than the *jiaotou* groups, with numbers ranging from only a few members to twenty-plus. Like the *jiaotou* groups, they are made up of mostly Taiwanese, but they do not have their own turfs.

According to the National Police Administration (NPA) of Taiwan, there were 1,274 gangs, *jiaotou* groups, and loosely knit groups in Taiwan in 1998, with a total of more than ten thousand members (Su Nang-heng 1998). Of the more than one thousand criminal groups, 41 percent are loosely knit groups, 47 percent are *jiaotou* groups, and 12 percent are organized gangs (Su Nang-heng 1997).

Can these three groups be considered as organized crime groups? According to the Judicial Yuan (1998: 9):

Organized gangs are organized crime groups; most *jiaotou* groups and loosely knit groups are not well organized, so we need to examine them case by case to determine whether they are organized crime groups or not. There are also criminal organizations (like drug trafficking groups) that do not belong to any of the above definitions and they could be considered organized crime groups.

If a group is considered an organized crime group, the prosecutors can charge the group with the Organized Crime Prevention Law. However, since it was first implemented in 1996, few organized gangs, not to mention *jiaotou* groups and loosely knit groups, have been indicted organized crime groups.

Problems in Defining Heidao

Chinese people often use the word *hei* (black) to denote things that are bad or evil (Nan Fang-shou 1996a). For example, *heishehui* (black society) means organized crime groups, *heixinkan* (black heart) means evil intention, *heitou* (black head) means bandits, *heitu* (black earth) means opium, *heihuo* (black commodity) means stolen items, and *heiguan* (black officials) means corrupt officials. Thus, if a person is considered to be *hei*, he or she is thought to possess negative traits; a *heidao* figure basically means a bad person.

My subjects who have been labeled as *heidao* figures by Taiwan authorities often question what *heidao* actually means. A deputy speaker of a town council—whom a local KMT official sarcastically described as someone who “did not have to serve in the army” (meaning he did not serve because of his criminal record)—have this to say when I asked him about his alleged *heidao* background:

What do you mean by the word *heidao*? Okay, now that you bring this up, you’ve got my attention. This is the kind of stuff I have a lot to say about. The whole idea of *heidao* is nothing but a generalization. It’s like the word *huanchang*

(entertainment places), which includes a variety of special businesses such as nightclubs, massage parlors, karaoke clubs, hostess bars, and dance halls.¹⁰ When we say *heidao*, it may include petty thief, robber, etc. The word *heidao* can't pinpoint a particular type of person or criminal. The word *heidao* is nothing but a generalization. We need to differentiate all the people we consider as *heidao* figures. Just as we can't say all the things beneath the water are fish and therefore can be eaten. There are fish that can be eaten (good things) and fish that can't be eaten (bad things).

Some subjects argued that their position as a *laoda* (big boss) means nothing, and that it is unfair to accuse a person of being a *laoda*. According to a Bamboo United leader:

One of the accusations against me was this: Someone overheard that someone else had called me a *laoda*. In fact, [then] President Lee [Teng-hui] happened to have said that he's the *laoda* of Lien Chan [then—vice president and now the chairman of the KMT]. So what?

A former member of the underworld told me a *heidao* person could not be all bad: "What do you mean by *heidao*? How would you define *xiongdi* [brother]? It's very difficult to define these terms. I don't deny that I am a *heidao* or a *xiongdi*, but I know my heart is red [good]."

Others pointed out that the *heidao* are the guardians against crime. A *jiaotou* from Kaohsiung told me: "*Heidao* has its own contribution to society. In the past, *heidao* helped the police maintain social order at the local level. *Heidao* can stop a crime before it occurs."

A leader of the Bamboo United insisted that brothers are not *heidao* figures:

We brothers are not involved in reckless activities. Those who commit robbery and rape are not brothers; they are *heidao* people. The media labels all of us as *heidao* and the police and government officials as *baidao*. In fact, police officers are the real *heidao* because they are greedy and will do anything to make money. They not only demand that little brothers take the blame for crimes they have never committed (for the sake of the police's own reputation), they are also continually involved in shakedowns and intimidation.

One of the most influential Bamboo United leaders—Chang An-lo (nicknamed White Wolf)—said that he is a brother but not a *heidao* person: "I admit I am a brother but I don't think a brother is equivalent to a *heidao* person" (Teng Chi-jer 1996a: 52).

Even Lo Fu-chu, the alleged top boss of the powerful Celestial Alliance and a two-term legislator, often talked about the definition of *heidao* (Teng Chi-jer 1996b: 51-52):

Many people use my past to define my current status, but I have to ask them a question: What is *heidao*? What does it really mean? The word is very abstract

and unclear. Does it mean a kind of color? Our society rarely shows any support to those who have committed minor crimes. You know what causes lawlessness in our society? It's because we all are just concerned for ourselves. In order to make our performance look good, we create the ten most-wanted criminals list. Some of these people are involved in only minor crimes but we force them to go to the extreme, and that has created many serious crimes in our society. The same is true with bid rigging. The problem lies in the lack of a good system. If *baidao* people [government officials and legitimate businessmen] are not involved in bid rigging, then there is no room for *heidao* people to get involved.

A Four Seas leader also questioned the fairness in categorizing people into *heidao* and *baidao*: "Our society has changed. How do you define what is black and what is white? Many *baidao* people do things that are worse than what *heidao* people do, and not all *heidao* people are bad people" (*China Times Weekly* 1995: 42).

In sum, the word "*heidao*" is often used by the upperworld to characterize the underworld but most underworld figures are reluctant to see themselves as *heidao* figures and instead prefer to view themselves as brothers or *xiongdi*. For them, brothers do belong to an unconventional subculture, but they are not involved in reckless crime against members of the conventional society. Even those subjects who have no objections to describing themselves as *heidao* figures insisted that they were not petty criminals.

Gangsters, Tycoons, and Politicians

Over the past decade, black-gold politics has been considered by people in Taiwan as their number one concern. Black-gold politics refers to the penetration of violent racketeers and self-serving businessmen into politics, which has a corrosive effect on its legitimacy and honesty. Black-gold politics is more serious and threatening to society than predatory street crime: Corrupt government officials undermine the trust and integrity of public institutions that constitute the very foundation of society. A 1999 poll conducted by *Common Wealth Magazine* showed that 22.9 percent of more than one thousand respondents believed black-gold politics made life in Taiwan "ignoble." Also, black-gold politics tops the list as the most urgent issue to address in improving the country's future prosperity (*Taipei Times* 1999b).¹¹

When a high-ranking police officer was questioned about the seriousness of the problem of organized crime in Taiwan, he replied:

It's extremely serious. If we don't do anything about it now, our country will be finished. Why? Because organized crime members are well connected to business people, law enforcement authorities, public officials, legislators, and local faction leaders.¹² These gangsters are involved in all kinds of legitimate and illegitimate activities. They are also deeply involved in elections. In the past,

they helped certain political candidates get elected; these days, they run for public office themselves. After they become elected representatives, they make sure they become members of the Law and Order Committee, which is in charge of police budgets and personnel. Once they achieve that, they can humiliate police chiefs in the city or county assemblies by not allowing police chiefs to sit down while acting like they are interrogating the police chiefs during interpellation.

Before 1996, there was little real understanding of the extent of black-gold politics in the country. But on November 16, 1996, in a speech to the leaders of the business community, Minister of Justice Liao Cheng-hao declared that out of the 858 city and county councilors across Taiwan, 286 had a *heidao* background.¹³ Liao warned that if the problem was not dealt with immediately, Taiwan could become another Sicily. The acknowledgment by Taiwan's highest law enforcement official that one-third of the locally elected deputies were either gangsters or criminals caught the island by surprise. Liao also indicated that 25 percent of the Provincial Assembly members and 5 percent of the legislators and National Assembly deputies had shady backgrounds. Moreover, about 200 town representatives were thought to be underworld figures (*United Daily News* 1996b).

After Liao's 1996 revelations, other estimates have been publicized in the media (see Table 1.1. The table also includes three little-known estimates that were made before Liao's highly publicized announcement).

Even without these breathtaking figures that become headline news whenever they are made public, people in Taiwan are aware of the seriousness of black-gold politics through their intimate knowledge of how rampant vote buying is during local and national elections; how violent it can get when there is fierce competition among rival candidates; how often business tycoons can buy a seat in the legislature and National Assembly;¹⁴ and how often government officials, elected deputies, and gangsters work together to benefit themselves in collusive bidding. Residents of Taiwan also watch their televisions in awe when physical assaults occur on the floor of the legislature, in the national assembly, and among local elected bodies. Hardly a day goes by without news reports about politicians, businessmen, and gangsters being involved in financial scandal, bid rigging, corruption, vote buying, violent confrontation, or fraud.

More often than not, the KMT is blamed for the development of black-gold politics. The assumption is that, in order to maintain its power as a ruling party and to defeat the emerging opposition parties such as the DPP, the KMT deliberately established a close relationship with anyone who was powerful and influential enough to help their candidates win elections. Many gang and *jiaotou* members were well connected to grassroots people, and they became ideal campaign managers or so-called "pillars" or vote captains. After these *heidao* figures became familiar with the election process, they eventually decided to run for public offices themselves. When the KMT realized that these gangsters and *jiaotou* figures would be elected with or without their blessing and support, the party

Table 1.1

Estimates of the Extent of *Heidao* Involvement in Politics

Source	Year	Percentage
1. MJIB Director Wu Tung-ming	1994	62 councilors had <i>heidao</i> backgrounds
2. NPA's Hoodlum Division	1994	Of 883 city and county councilors, 28 were hoodlums, 29 were gangsters, and 150 had <i>heidao</i> affiliations
3. Intelligence Reports	1995	Among town representatives, 37.8% had <i>heidao</i> backgrounds; among county and city councilors, about 26.5%, and among national representatives, about 3%
4. Minister of Justice Liao Cheng-hao	1996	Of 858 city and county councilors, 286 had <i>heidao</i> backgrounds
5. NPA Commissioner	1997	Almost all chairs and members of the Law and Order Committees of the elected bodies were <i>heidao</i> affiliated
6. President of Academia Sinica Lee Yuan-tseh	1999	Half of the elected deputies were <i>heidao</i> affiliated

Source: Reports in the news media.

decided to embrace them, to ensure that the KMT remained the majority party in both local and national elected bodies.

Even though most people in Taiwan believe that the KMT is the only party to be closely associated with criminals, some insist that all political parties in Taiwan have ties to organized crime. A Bamboo United leader said:

Every political party in Taiwan is associated with *heidao*. Among them, the New Party (NP) is the least connected with *heidao* because it emphasizes a good public image. The truth is, although the DPP criticizes the KMT for its relationship with *heidao*, many DPP members at the local level are themselves closely linked to *heidao* people. Moreover, when the DPP orchestrated those demonstrations in the past, it also relied on *heidao* people to achieve its goals.

Regardless of who is responsible for the development of black-gold politics, alarming headlines have become a fact of life for people in Taiwan: "MOB RULE," "JUST LIKE SICILY," "FUGITIVE COUNCILOR TURNS HIMSELF IN," "JUDICIAL YUAN SHEDS LIGHT ON THE DARKER SIDE OF POLITICIANS," "FORMER CHIAYI SPEAKER INDICTED," "LEGISLATOR ASSAULTED BY COLLEAGUES," "WAR DECLARED ON BLACK-GOLD," "RAID ON LEGISLATOR'S QUARTERS PROMPTS DEBATE," "LEGISLATOR CLAIMS INNOCENCE OVER LAND DEAL," "PROSECUTORS DETAIN TOWNSHIP CHIEF FOR QUAKE SUPPLY THEFT,"

“TAINAN MAYOR INDICTED OVER BRIBE COVER-UP,” “SUSPECTED GANGSTER ELECTED TO JUDICIAL COMMITTEE [OF THE LEGISLATURE],” and “KMT LEGISLATOR GETS 12 YEARS FOR EMBEZZLING.”

Research Methods

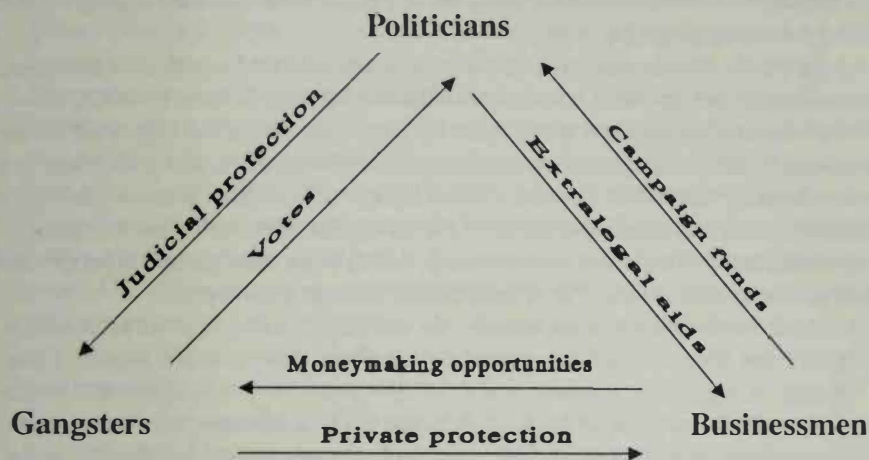
This study employs multiple research strategies, including in-depth interviews with key informants in Taipei; numerous research trips to southern Taiwan to interview subjects and observe the electoral process; four research trips to China, Cambodia, Thailand, and Vietnam to interview and hang out with fugitives from Taiwan; and a systematic collection and analysis of official and media reports. Readers interested in the details of how I conducted my research will find them in the Appendix.

Conclusion

In Taiwan, the convergence among gangsters, businessmen, and politicians constitutes one of the main reasons for the development of black-gold politics. Members from each group have their own reasons for commingling with members from the other two groups (see Figure 1.3). Most politicians are willing to be affiliated with businessmen because the latter can provide them with campaign funds. Politicians are also interested in befriending gangsters because gang members are good vote captains. As a *jiaotou* figure in Kaohsiung suggested: “Every elected deputy, even if he himself is not a *heidao* figure, is supported by a group of *heidao* figures.” Another underworld figure told a reporter that, under pressure to win an election by any means, politicians are willing to commingle with *heidao* figures: “If not because of the elections, I can’t imagine what other resources *heidao* people have that attract *baidao* people [politicians]” (*China Times Weekly* 1995: 41-42). For political figures, votes are their main concern: Anyone who can help them get votes is appreciated. In short, money from businessmen can help politicians buy votes, and intimidation from the gangs can ensure the efficiency of vote buying.

Businessmen at all levels like to associate with politicians because the latter can help them in many ways. For example, enterprises that maintain a close relationship with powerful politicians are more likely to secure government contracts, less likely to be targeted by law enforcement authorities for irregular business practices, and more likely to receive government aid when they are in financial distress. These entrepreneurs also welcome the affiliation with gangsters because, in Taiwan, many business disputes, a result of fierce and unfair competition, are most efficiently settled in private. Many business people have little confidence in the justice system, and they also think that, to protect themselves against gang victimization, the best thing to do is to have some underworld friends of their own. Many entrepreneurs who run for public office might also be interested in having *heidao* figures to help them with their campaigns, as Hwang Kwang-kuo, a professor at National Taiwan University has written (1984: 23):

Figure 1.3 The Nexus Between Gangsters, Businessmen, and Politicians



Heidao became more powerful in the mid-1970s when golden oxen [business tycoons] decided to run for public offices. Without any political ideology, they were only interested in getting elected and that's why they were actively involved in vote buying and hiring *heidao* figures to campaign for them. After being elected, these golden oxen were only interested in earning money through involvement in illegal operations. That also led to their connections with *heidao* and law enforcement authorities.

Gang leaders and *jiaotou* bosses are eager to be connected with politicians because the latter can protect them from law enforcement authorities. In Taiwan, elected deputies often show up in police stations to express their "concern" whenever a person is arrested, and they see this as one of their many "services" to their constituents, regardless of why the person is being arrested. Many people also view the presence of elected deputies in the police stations as the most effective way to obtain a quick release. Gang members also need the support of politicians if they wish to avoid harassment and raids on their vice businesses. One of the main reasons for the dramatic increase in the number of gangsters in politics has to do with their disillusionment with politicians' willingness to protect them in times of crises. For example, many major crime figures were arrested during Operation Cleansweep, one of the three major crackdowns in the history of Taiwan. When these arrested gangsters were released from prison, they realized that the best way to protect themselves from law enforcement authorities is for them to become elected deputies themselves.

Gangsters are also eager to be associated with businessmen because the latter not only can provide them with many money-generating opportunities, but also they become the gangsters' major preys. When gangsters need money, they can

always rely on businessmen to patronize their gambling operations; the gangsters know full well that the businessmen are going to lose all their money before they leave the gambling joints.

Certainly, the triangular relationship between organized crime, entrepreneurs, and corrupt politicians is not new or unique to Taiwan. In Italy, Russia, Colombia, Mexico, Nigeria, and many other locales where mafia and organized crime groups flourish, the nexus between gangsters, businessmen, and politicians has developed (Stille 1995; Thoumi 1995; Shelley 1997). della Porta and Vannucci (1999) provide a detailed analysis of the triangular relationship between mafia, tycoons, and politicians in southern Italy, where these three groups of people are heavily engaged in what the authors called "corrupt exchanges."

As the nexus between the upperworld and the underworld is fortified, members of the underworld may attempt to transform their criminal identities into images of legitimate businessmen whenever their societies experience major changes in the institutional structures of the political economy. For them, crafting an additional identity as legitimate businessmen is just as effective as the practice of intimidation. Thus, in the 1970s the mafia in Italy became entrepreneurial after it gave up its role as mediator and devoted itself to capital accumulation (Arlacchi 1987). In the United States Italian-American crime families have penetrated into the legitimate business sector since the early twentieth century (Reuter 1985; Anderson 1995; Jacobs 1999; Kelly 1999). This transformation from mobster to businessmen was also observed in Japan (Kaplan and Dubro 1986), Russia (Handelman 1995), China (Martin 1996), Hong Kong (Y. Chu 2000), and Colombia (Thoumi 1995).

To protect them from judicial intervention, it is only natural for gangsters to have a strong desire to establish a close relationship with politicians and law enforcement authorities (Hess 1998). The collaboration of the political establishment with the criminal underworld—the political-criminal nexus (PCN)—had been documented and analyzed by such scholars as Landesco (1968), Dorman (1972), Alexander (1985), Small (1995), Stille (1995), Martin (1996), and Godson (2001). When mobsters are under the protection of the political establishment, their ability to commit crime with impunity and to corrupt the political establishment elevates the level of harm they pose to their societies.

Regardless of how mobsters in some areas of the world have successfully and deeply penetrated into the economic and political sectors of their respective societies, they still remain essentially gangsters who need to hide in the dark, even though they may be extremely rich and powerful. Their ties to business firms and powerful politicians cannot be publicly flaunted because that would result in the disentangling of their connections. In short, even though there is a link between the upperworld and the underworld, the two worlds remain apart. Members of the two worlds may conspire to commit crimes or to be involved in corrupt exchanges, but they still belong to their respective worlds and they cannot pretend to be members of the other world.

Black-gold politics in Taiwan is qualitatively different from the problem of mob penetration into business and politics in other parts of the world. A relationship between the upperworld and the underworld has evolved into an integration of the two worlds into one and the development of public figures who are at the same time gangsters, entrepreneurs, and politicians in the fullest sense. An influential legislator who is also the convener of the judicial committee of the legislature could also be one of the richest entrepreneurs in the country and the one who proclaimed himself to be the "spiritual leader" of a powerful gang and listed as a hoodlum by the authorities. A county magistrate who was imprisoned as a hoodlum could also be the owner of a major construction company and other big businesses and considered by his constituents as the best county executive in Taiwan. The integration of the upperworld and the underworld in Taiwan results in the development of a morally confusing society where politicians are talking and acting like gangsters and gangsters are talking and acting like politicians.

In short, certain influential figures in Taiwan are called *huidao* figures—those who belong to both the upperworld and the underworld and it is not always clear what they are all about. Consequently, the line between legitimacy and illegitimacy is blurred, and many people move back and forth across the line. After two Four Seas gang leaders were shot and killed in 1996 by two gunmen inside a restaurant in Taipei owned by one of the victims, hundreds of politicians, businessmen, and key *heidao* figures showed up at their funeral to pay tribute to the fallen gang leaders. The fifty or so people who were listed as members of the funeral committee were some of the most influential figures in Taiwan (*United Daily News* 1996a).

In the following chapters, I will examine the intricate relationship among government officials, elected deputies, businessmen, and underworld figures in Taiwan, and whenever necessary, discuss the crucial role of law enforcement authorities in sustaining the symbiosis of black-gold politics. In the literature at large, two conventional assumptions have guided studies of political–criminal linkages: (a) corruption is necessary to the successful operation of organized crime enterprises, and (b) corruption of police control efforts, or the nullification of law enforcement strategies, can be accomplished most smoothly through political influence.

Part of my work will examine the validity and applicability of these views insofar as they relate to both historical and modern ethnic/minority communities. Added to this are the presence and activities of business entrepreneurs and *heidao* figures.

While most standard approaches to the political–criminal connection describe the political and legitimate sectors of society and victims of criminal conspiracies, other, more reliable accounts, do not. Rather, they see the putative victims in many instances as active partners in criminal coalitions that seek to neutralize law enforcement, or to weaken the capacities of other firms and businesses to compete fairly and effectively. This point will be illustrated with several examples

where criminals and legitimate business people have collaborated in alliances in order to enhance their competitive advantages or to facilitate the political careers of malleable officials through massive manipulations of the electoral processes. Many organized criminals have survived and prospered because they have forged connections with influential politicians and wealthy entrepreneurs who themselves find their liaisons both expedient and profitable. As *heidao* figures became key players in both the economic and political sectors, they eventually transformed themselves into full-blown businessmen and politicians and moved from being the supporting casts to the main actors. This book is about the development of a triangular relationship between organized crime, business, and politics in Taiwan and how the relationship transformed itself into an entity that is called black-gold politics.

2

Crime Groups in Taiwan

In Taiwan, juvenile delinquents are called *taibao*. Normally, *taibao* do not belong to gangs or other crime groups, and they do not have their own turfs. Most of them are junior or senior high school students or school dropouts. Their major activities are truancy, drug abuse, theft, running away from home, public disorder, and street fighting.

Chronic adult offenders are called *liumang* (hoodlums or hooligans). There is a special law in Taiwan—Statutes Governing the Discipline of Hoodlums—that deals exclusively with hoodlums (Investigation Bureau 1996). If a person is identified as a hoodlum, he will be sent to so-called rehabilitation centers in southern Taiwan for one to three years. The centers are known for their harsh punishment.

According to a classified government report, in 1996 there were 1,208 crime groups with 10,346 members in Taiwan. Most of the groups were loosely knit groups that did not pose a major threat to law and order in Taiwan. Only 117 crime groups, most of them organized gangs and *jiaotou* groups, were considered to be involved in serious crimes (National Security Bureau 1997). Table 2.1 shows the distribution of members of these crime groups by city and county.

In this chapter, the development of three kinds of crime groups in Taiwan is described: the *jiaotou* group, the loosely knit group, and the organized gang. Even though there are more than 1,000 crime groups, attention focuses on only a few of them.

The Evolution of *Jiaotou* Groups and Gangs

Between 1945 and 1954, there were numerous small *jiaotou* groups active in Taiwan. These disorganized groups, run by native-born Taiwanese, were deeply influenced by the so-called *langlen*, Japanese criminals who were imported into Taiwan to maintain order during Japan's occupation of the island from 1895 to 1945 (Kaplan and Dubro 1986). Following World War II, the *jiaotou* groups were mainly involved in operating prostitution houses and gambling dens or in extorting money from business owners.

At the end of the war, when China had reclaimed Taiwan from the Japanese, a number of gangsters emigrated from the mainland, but at first their activity was

Table 2.1

Number of Major Crime Groups by City and County (1996)

City or county	No. of major crime groups
Taipei City	25
Taipei County	12
Keelung City	11
Taoyuan County	4
Ilan County	3
Hualien County	1
Hsinchu City	7
Hsinchu County	1
Maoli County	4
Taichung City	2
Taichung County	4
Changhua County	5
Nantou County	3
Yunlin County	5
Chiayi City	1
Chiayi County	3
Tainan City	6
Tainan County	2
Kaohsiung City	6
Kaohsiung County	3
Pingtung County	4
Taitung County	2
Penghu County	1

Source: National Security Bureau 1997: 10.

hindered by the poor postwar economy (Hsu Fu-sen 1999). However, by 1955, the first well-organized gang—the Four Seas—was finally established; its members were mostly high school students whose parents came from China in 1949 when the civil war ended. Two years later, another gang of mainlanders formed under the name of the Bamboo United (also known as the United Bamboo or the Bamboo Union). Thereafter, a few other street gangs appeared in such major cities as Taipei, Taichung, Tainan, and Kaohsiung and engaged mainly in petty crimes and street fights against native Taiwanese. By the time these youngsters reached adulthood in the 1970s, the gangs had developed into organized crime groups (Chi Chung-shien 1985).

In 1984, authorities launched Operation Cleansweep, during which thousands of suspected gangsters and *jiaotou* figures were arrested and sent off to prison for three years. However, with the abolishment of martial law in 1986 and the implementation of amnesty programs for criminals in 1988, most of the major crime figures arrested during 1984–85 were released during 1987–88. This massive decarceration, coupled with a booming economy that took off in 1988 and 1989, enabled gang and *jiaotou* bosses to accumulate enormous amounts of wealth in

just a few years from stock market investments, the real estate market, and numbers games. Backed by their newfound wealth, a large number of gang and *jiaotou* leaders entered the 1990 elections for city and county councilors and became not only wealthy businessmen, but also powerful politicians backed by popular votes (Hsu Fu-sen 1999).

Even though the authorities conducted another major crackdown on organized crime in 1990, its impact was limited. The gangster-turned-politician was becoming a way of life, a permanent fixture in the political life of Taiwan as evidenced by the number of *jiaotou* figures who were voted into office in the 1994 city and county councilor elections. By 1996, when authorities embarked on the large-scale Chih-ping antigang program, it was too late to remove those gangsters who had already firmly established themselves in the local and national political arenas. Some of those politicians targeted by the 1996 antigang program were even able to get re-elected in the 1998 city and county councilor races, even though they were on the run or on parole; in some cases, spouses or family members ran in their stead and won handily. For example, Hsiao Teng-piao, the speaker of Chiayi County Council, was re-elected in a landslide while he was hiding from the police throughout the whole campaign. After the 1998 city and county councilor elections, as those Chih-ping targets or their relatives took office with an obvious sense of invincibility, people in Taiwan finally realized the seriousness of the underworld's grip on politics in their homeland (Hsu Fu-sen 1999).

A mid-level police officer who specialized in combating organized gangs in the 1970s and 1980s explained what happened during those two decades:

Before the 1984 Operation Cleansweep, organized crime groups in Taiwan consisted of the mainland Chinese gangs and the Taiwanese *jiaotou* groups. The mainlander gangs were better organized and members were mostly the offspring of military personnel who followed Chiang Kai-shek to Taiwan. In general, gang members were more sophisticated in committing crimes than *jiaotou* criminals. However, gang members did not have their own territories. Most *jiaotou* members had their own territories which they had dominated for generations; they were mostly involved in demanding protection money from gambling and prostitution houses within their own areas.

This scenario changed in the mid-1980s when many handguns were smuggled into Taiwan. Armed with powerful weapons, gang members were able to move their operations into places traditionally controlled by the *jiaotou* members. In the meantime, the gangs also began to operate high-class nightclubs. Chen Chih-li [the leader of the Bamboo United gang] established the Ming Sun Club in Taipei at that time, and that allowed him the opportunity to associate with wealthy businessmen and high-ranking government officials.

The gangs expanded rapidly in the 1980s because of Taiwan's booming economy. Successful people and businesses became targets. The Bamboo United expanded rapidly in the early 1980s; some of the gang's branches had hundreds of members. For example, when the gang's Ho tang [or branch] was in control of the Eastern King (*Dong Wang*) Western Restaurant, it recruited large numbers of

highschool students who were excited to be part of Bamboo United because that meant they were allowed to eat and watch entertainment shows for free.

In the 1990s, most of the top gang leaders were eager to establish close ties with businessmen and politicians so that they could strengthen their own positions. Mid-level bosses were still more likely to be involved in violent activities. A taxi driver who was close to *heidao* figures said:

There are three levels of *heidao* people. Those who belong to the lowest level are small-time hoodlums; they are very violent, and they routinely victimize ordinary people. The second level includes those who see themselves as big brothers. They are mainly involved in operating gambling places. The third and highest level is made up of those who enjoy a close relationship with politicians. They are very sophisticated and always treat people around them in a friendly and polite manner.

As the Taiwanese underworld became more like a business enterprise, traditional underworld subcultural values and norms eroded. One of the most influential Taiwanese *heidao* figures who was in his eighties and called "the ultimate arbitrator" (Ker Su-len 1990) said:

When I was young, we formed clubs in order to pursue social justice and promote loyalty. At that time, we were often involved in street fights. Nowadays, these groups have turned into companies, and their main goal is to make money. When there are conflicts, they settle them by guns. Now, everything is about money. If you have money, you are a big brother.

Many big brothers I interviewed are in their late forties or early fifties, and they all felt strongly that Taiwan's underworld had gone through a face-lift in the 1980s and 1990s. One boss repeatedly emphasized how the underworld used to play a major role in preventing crime. He said that gangs were formed in the past to maintain order in a society where rules were unclear and social control was weak. Gangs were supposed to protect the innocent.

Another big brother told me what it meant to be a brother. From his viewpoint, a brother is by no means a criminal:

I have never, ever, made a penny illegally. Not at all. Being a brother means we are extremely concerned for our reputation. We are generous with people; and when you come to us, no matter how poor we are, we are going to treat you well, even if that means we ourselves do without. We pay a lot of attention to personal character because, without it, nothing matters.

Another *jiaotou* leader thought that there were good and bad brothers:

There are many kinds of brothers. Some are good and some are bad. I will say only about 30 percent of the brothers are good. There are three main criteria in

judging whether a brother is good or bad: politeness, righteousness, and self-control. A good brother is one who knows how to respect those he is supposed to respect and whom to respect, and he has to be fair and righteous. He also needs to have self-control.

One of the reasons to establish a good reputation in the underworld is to help solve disputes, and it is this type of service that is provided by many influential *heidao* figures in Taiwan. A *jiaotou* leader explained the importance of a brother's reputation:

We pay a lot of attention to our reputation mainly because it's like a name brand. When you say you smoke Marlboro, people know right away it's a name-brand cigarette. When you interact with others and tell your name, right away people recognize that you are a good and reputable brother. That's how you effectively deal with others and that's why people will invite you to act as a mediator.

Some *heidao* figures told me violence is very much a part of their lives and to survive as a brother, one needed to develop a certain type of mentality when confronted with a potentially explosive situation. This "survival of the fittest" mentality could also be attributed to the escalation of violence in Taiwan over the past two decades. A *jiaotou* leader observed:

Being a brother means you already give up thinking about life and death. You have to be ready to be killed anytime. That's how you survive when you need to take immediate action to be in charge of a split-second, volatile situation. If you have second thoughts about being aggressive, you can't survive a violent confrontation.

In short, most of my subjects believed that gang and *jiaotou* groups transformed themselves during the last two decades, so that they no longer simply protected territory and social order, but had evolved into organized crime groups active in both business and politics. Less attention was paid to questions of righteousness and loyalty as they shifted their focus to moneymaking schemes and political activities. The use of lethal violence continued to be an option if financial and political disputes among these groups could not be settled peacefully. My subjects' opinions echoed the analysis of Chao Yung-mao (1998), who suggested that crime groups in Taiwan had, over the past twenty years, evolved from social gangs to economic gangs, and then to political gangs.

***Jiaotou* Groups**

As mentioned in Chapter 1, crime groups in Taiwan are categorized by law enforcement authorities into three types: the organized gang, the *jiaotou* group, and the loosely knit group. According to a Four Seas leader I interviewed in China, northern Taiwan is basically controlled by three organized gangs—the Four Seas,

the Bamboo United, and the Celestial Alliance. *Jiaotou* groups dominate central Taiwan and are roughly organized into two regional sections: the coastal network and the Taichung network. Southern Taiwan, as well, is under the influence of *jiaotou* bosses from Kaoshiung and Pingtung. In the county-level cities, towns, and townships of central and southern Taiwan, many loosely knit groups exist.

The *jiaotou* groups have a number of unique characteristics. First, all *jiaotou* groups have their own territories and confine their criminal activities to them. Rarely do they venture into other territories to engage in crime, and they do not have much influence outside of their immediate surroundings. Only a few *jiaotou* leaders would claim that they have a reputation outside of their areas and these people are viewed as big-time *heidao* figures who belong to the *zhong guan xian*. A Kaohsiung *jiaotou* leader explained what it means to be a *zhong guan xian* big boss:

Zhong guan xian means the major highways of Taiwan. If a big brother is considered to be from the *zhong guan xian*, that means his reputation has spread not only within his own town or city, but also to other parts of the island. Many people are familiar with him. *Hai xian* [the sea network] means those *heidao* who are active near the coastal areas, and *shan xian* [the mountain network] means those who are near the mountains. It doesn't mean that these *heidao* figures are linked.

Second, their major income stems from protection rackets and gambling operations. All *jiaotou* groups are extensively involved in collecting protection money from food stalls, restaurants, nightclubs, massage parlors, barbershops, and brothels that operate within their turfs. Since the *jiaotou* groups rely on stable income from protection and gambling rackets, they need not take other criminal measures to support themselves, very much like the crime syndicates making up the Yakuza of Japan (Kaplan and Dubro 1986).

Third, the groups' turfs are in general located in well-established commercial or red-light districts. Two major *jiaotou* groups in Taipei, the Fang Ming Kuan and the Nyo Pu, are entrenched in the city's red-light districts. Asked why there are so many *jiaotou* groups in Taiwan, a police officer thought that the main reason has to do with the abundant moneymaking opportunities. Many gambling places and commercial sex businesses exist in Taiwan, and these businesses need the protection provided by *heidao* figures. Even so, most *jiaotou* members I interviewed stressed the point that they are less money-oriented than gang members, who are mostly mainlanders. A *jiaotou* said: "The main difference between brothers in the north and the south is that northern brothers tend to be more concerned with money and southern brothers tend to underscore camaraderie."

Fourth, each *jiaotou* group recruits its members from those who grew up in or lived near its territory. The groups are reluctant to recruit people who are not from their neighborhoods and communities.

Fifth, in comparison with organized gangs in Taiwan, the *jiaotou* groups are loosely structured. There are only two roles within a *jiaotou* group: the *laoda* (big boss) and *xiaodi* (little brother) (Jin Si 1984). The *laoda* is the

sole decision-maker of his group and is directly responsible for the food, lodging, and expenses of his followers. Most *jiaotou* groups have more than one leader, and conflict among a group's leaders is not uncommon. The Fang Ming Kuan has four leaders, each with his own followers. Power struggles among leaders of the Fang Ming Kuan have resulted in several homicides. It is also possible that a leader would be killed by his followers because he has refused requests for money or permission to operate an independent gambling place (Chen Nien 1985a).

A Bamboo United leader compared and contrasted *jiaotou* and gangs this way: "Brothers in the south do not want a real organization, like the Four Seas and the Bamboo United. They prefer a group of people with similar interests to hang out together. That's all."

A *jiaotou* in Kaoshiung confirmed the Bamboo United leader's statement:

There's a big difference between brothers in the north and the south. Northern brothers love to show off: They wear suits, they develop organizations, and they are sophisticated. Southern brothers chew betel nuts; they wear sandals, they are uncivilized, they are conservative, but they are more friendly and hospitable.

Meanwhile, a Celestial Alliance gang leader simply said: "Taiwanese hoodlums do not have brains. They don't know how to get themselves organized; mainlanders are much better in this aspect."

Sixth, *jiaotou* groups are based on the subcultural values and norms of the Japanese criminal subculture. The groups predominantly consist of native-born Taiwanese who have had little exposure to traditional Chinese secret societies such as the Hung and Qing or Hong Kong-based triads but were thoroughly influenced by the Japanese criminals residing in their midst for so many years (Hsu Fu-sen 1999).

Northern Taiwan

Most *jiaotou* groups in northern Taiwan were formed by migrants from central and southern Taiwan who moved to Taipei and other northern cities to look for a better life. Unemployment rates in central and southern Taiwan were high, and many young men and women in the areas were not willing to follow the footsteps of their predecessors who were predominantly farmers or fishermen. For them, the only way out was to go north and make the best of it (Lin Tuan 1983). A big brother from Yunlin County said:

I was born in Taisi Township of Yunlin County. I moved to Taipei from Taisi to make a living. Many Taisi people go to Taipei to look for jobs because Taisi is such an underdeveloped area with very limited job opportunity. Of course, after we arrived in Taipei, it was just natural for us to hang out together to protect ourselves.

In Taipei, the two major *jiaotou* groups are the Nyo Pu and the Fang Ming Kuan. The Nyo Pu is located in the Chung Shan district and preys upon the bars, restaurants, and vice-related barbershops located within the district. One of the top leaders of the group is alleged to be Yeh Ming-chai; he and his brothers are the core leaders of the group. When Yeh's mother died in 1992, the Yeh brothers staged an elaborate funeral for her which was attended by Taiwan's most influential politicians and businessmen. Lee Teng-hui, then-president, also sent a banner of condolence that was placed at the most auspicious spot at the funeral (Teng Chi-er 1992).¹

Fang Ming Kuan was formed in 1953, initially as a lion-dance club. The group's turf is in the Wanghua (or Panga in Taiwanese) district, a place where many licensed brothels are located and as many as fifty-eight *jiaotou* groups exist. The group's major source of income is from collecting protection fees from the brothels within its territory. One of the most violent Fang Ming Kuan members was Liang Kuo-kai, nicknamed Dumb Pearl, who shot and killed his big boss Lin Jun-fa, aka Ku Ma, in 1984 over financial disputes (Wu Fan 1984). Liang, as a twenty-two-year-old little brother, became a notorious *heidao* figure after he and his Fang Ming Kuan associates tried to kill Lin Fu-hsiung, the leader of a rival *jiaotou* group called Lung Shan Temple Gate. Liang received a seven-year sentence for the attempted murder, but he was paroled for medical reasons. While on parole, he murdered another underworld figure before he killed his own boss in 1984 (Jin Si 1984).

The following year, while Liang was on the run, he and his associates murdered another Fang Ming Kuan leader by the name of Huang Chung-yi, aka Red Fat Chung (Chen Nien 1985a). Again, Liang's reason was financial: Liang's boss Huang had refused to support him while he was in hiding from the authorities. Four months later, now considered one of Taiwan's most dangerous fugitives, Liang was cornered by the police in an apartment in Taipei. Liang, knowing that he would be sentenced to death if he was arrested, shot and killed himself on the spot (Chen Ji-fang 1985).

Besides Nyo Pu and Fang Ming Kuan, Taiwan's other major *jiaotou* groups include Lung Shan Temple Gate, Jia Na, Jiu Jiang Ting, Nang Ji Chang, Hua Si Street, Ho Chai Yuan, Tou Pei Cho, Hwei Ser Wei, Ju Si Temple, Hor Ko Tou, Kung Kou, Ying Chao, Central Market, and a dozen other groups (Chen Yung-hen 1997). Most of the major *jiaotou* groups in northern Taiwan are located in Wanghua District of Taipei City, a relatively small community that was the earliest commercial district of the city. Their main activities include extortion, gambling, and commercial sex. As we have seen, even though these groups co-exist peacefully most of the time, they can get into deadly confrontations over territory or reputation (Lee Jing 1999).

Central Taiwan

Taichung, Changhua, Yunlin, and Chiayi are the four counties in central Taiwan that are home to some of the most powerful *jiaotou* and loosely knit groups

in Taiwan. These counties are also said to have the highest percentage of elected deputies with *heidao* backgrounds. Even though a large number of brothers from central Taiwan are active in the north, especially Taipei County, many more brothers remain in their own communities. Some of those who have achieved a reputation in the north may also return to their homeland to continue their criminal careers.

According to the National Security Bureau (1997), there are forty-five loosely knit groups in Taichung County (which has a population of a little more than one million), with a membership of 271. Most of the groups are located in Fungyuan City, Taja Town, and the townships of Tangji, Wufung, and Hwaipu. These groups are made up of three to seventeen members, but the majority of these groups (69 percent) have three to six members. About 80 percent of these groups were formed no more than five years ago. These groups normally have two types of structure: (1) a leader and followers, or (2) a leader, a big brother, and followers. The groups are active in traditional, illegal activities such as gambling, commercial sex, and violence, but they are also involved in drug trafficking. Only two groups are implicated in bid rigging, and both groups are headed by gangsters who are also elected deputies. Besides these, *heidao* politicians are also involved in other activities such as investing in or operating illegal electronic-gambling stores, karaoke clubs, sex businesses, and gambling dens. In sum, the five most likely illegal activities of all the groups in the county are drug trafficking, extortion, robbery, debt collection, and gambling. One of the mainland-organized gangs—the Four Seas—also had a major branch established in the Taichung area. Yen Ching-piao, the former speaker of Taichung County Council and now a legislator, is alleged to be an underworld boss.

Changhua County is located south of Taichung and north of Yunlin. According to a classified report prepared by the National Police Administration (1995), there are forty crime groups active in the county. As in Taichung, the groups in Changhua normally consist of several members. The group leaders are involved in drug trafficking, gambling, and commercial sex businesses, and they are most likely to be either county councilors or town representatives. Chien Hsi-chieh (1999), a Democratic Progressive Party (DPP) legislator, indicated that the percentage of local politicians with *heidao* backgrounds is the highest in Changhua County. Several extremely brutal murders of politicians and their aides have occurred in the county. Nien Chung-len, the deputy speaker of the county's council, was convicted of murder in 1997.

Yunlin is sometimes referred to as “the homeland of the mafia” in the Taiwanese media because (a) many brothers in Taiwan come from Yunlin, (b) *heidao* figures from Yunlin are considered to be extremely violent, (c) many local politicians in the county are thought to be *heidao* figures, (d) the county had the highest number of shady politicians at the national level, and (e) the commissioner of the county, Chang Jung-wei, is allegedly a *heidao* figure. The county, one of the poorest areas in Taiwan, had a population of 750,000, and it has been declining over the

past ten years as young people from the county continue to move elsewhere to seek a better life. Those who remain are predominantly elderly with little education.

Chiayi County is also known for producing a large number of brothers. The county is dominated by the Hsiao family with three brothers who are all powerful politicians; two of them are also considered *heidao* figures. The eldest brother is the speaker of the Chiayi City Council, the second brother is the chairman of the Chiayi City Farmers' Association, and the third brother is the former speaker and current councilor of the Chiayi County Council. The family also has a member who is a National Assembly woman and another, a legislator. The family is believed to be very close to powerful figures in the central government in Taipei, and it played a major role in helping the KMT win the 1996 presidential election (Lin Ching-lung 1998). The second and third brothers have been accused of illegal baseball gambling, fraud, kidnapping, and extortion.

A former underworld figure in Chiayi explained how various *jiaotou* groups were formed there:

Labels such as *jiaotou* and *juho fenji* (loosely knit group members) are created by the police. In Chiayi City, there are many blocks and districts, and each block or district has a group of people who hang out together. When they are together, they drink and fight. Sooner or later, cops will identify the group by the name of their block or district, like Pei Men (North Gate), Yeh Si Chang (Night Market), etc. In the communities across the county, most social occasions are tied to the temples, and naturally, the temples become the gathering places for people from all walks of life. Chinese medicine sellers, performers, and street vendors all come to the temple to make a living. Eventually, groups of people will come together to maintain order in the area around the temples, and the leaders of these groups will be called *jiaotou laoda*.

Southern Taiwan

According to a *heidao* figure quoted earlier, southern Taiwan is basically under the control of *jiaotou* from Kaohsiung and Pingtung. Kaohsiung City and County are the second largest in the country (ranking just behind Taipei City and County), and the city is also one of the two largest seaports (along with Keelung) in Taiwan. During the cold war between Taiwan and mainland China, the presence of a large U.S. naval force turned Kaohsiung into a city with hundreds of hostess bars, nightclubs, and other attractions. Even after the departure of U.S. forces in the 1980s, Kaohsiung and Taichung City continued to lead Taiwan in the number of sex businesses.

Three of the largest *jiaotou* groups in Kaohsiung are the Seven Saints, Northwest, and Sa Ti. Northwest members are actively involved in gambling, debt collection, show business, and unlicensed long-distance bus travel (Chao Mung 1984a; Kao Cheng-sen 1983). According to a *jiaotou* in Kaohsiung who originally came from Pingtung:

Jiaotou groups in Kaohsiung are not well organized. Every place has its own *jiaotou*, and the *jiaotou* members know each other well, and that's why they often come together to discuss how to co-exist peacefully and make money together. They all understand very well the rules and ethics of the underworld.

Another *heidao* figure explained why *jiaotou* groups in Kaohsiung are unlikely to expand and become well-organized gangs, although he, unlike the subject above, thinks that the underworld is chaotic:

There are no longer ethics in the underworld. There's nothing to admire about being a big brother; a big brother needs to support his little brothers, and if he is not careful, he could well be killed by his little brothers. Nowadays, the gangs are not well structured; if you want to have a well-organized gang, you need money to do that. In Kaohsiung, most *jiaotou* are small, local groups—three to five men would stick together and become a group. They arm themselves and do not give a damn about other *heidao* big brothers. Besides, these groups are unlike groups in the past that were territorial. These days, once a group gets into trouble, it just moves somewhere else. Well-established gangs of the past, like the Seven Saints or the Northwest, do not exist anymore. Some groups will identify themselves as the Seven Saints, but the gang structure really does not exist anymore.

Even so, the presence of major *heidao* figures in the Kaohsiung City Council, the murder of a Kaohsiung County Council speaker, the conviction of a DPP legislator in Kaohsiung for heroin trafficking, and occasional shoot-outs between underworld figures and the police have convinced law enforcement authorities in Taiwan that, besides Taipei, crime groups in Kaohsiung are the second most powerful in the country.

In southern Taiwan, Pingtung County is also home to many *jiaotou* groups. Some of them, especially the Hakka, migrated to Kaohsiung City to carve out their own sphere of influence, while those who remained behind stayed active in gambling, extortion, drug trafficking, and debt collection (National Security Bureau 1997).

Pingtung County was labeled a "*heidao* county" in December 1994 when its council speaker, Cheng Tai-chi, and his followers shot and killed a gambling operator, Chung Yuan-feng, in front of the victim's mother. Cheng chose this tactic after he discovered that Chung had refused to pay the customary financial tribute to him (Wang Shih-chun 1995). Cheng was convicted of murder and executed in August 2000 (*World Journal* 2000). Meanwhile, a legislator, Kuo Ting-tsai, was found guilty of financial fraud, while the former county magistrate, Wu Tse-yuan, was sentenced to life imprisonment for corruption.

Organized Gangs

The second type of crime group—the organized gang—is quite distinct from the *jiaotou* and loosely knit groups. The gangs do not have their own territories, are

much more mobile, and rely on violence and intimidation to operate within the turfs of the *jiaotou* or in commercial districts. The gangs are better organized than the *jiaotou* groups, and they recruit members from all parts of Taiwan (Jin Si 1984). Most organized gangs are formed by the offspring of the Nationalists who came from China. They are generally supportive of the KMT or the New Party (NP).²

After the KMT arrived in 1949, mainlanders began to dominate every aspect of life in Taiwan. For the next ten years, most Taiwanese had to rely on mainlanders for a living. Later, while mainlanders continued to control the political sphere, the economic sphere became more and more controlled by the Taiwanese because they had land, and their children had gradually improved their educational level. Many of the housemaids' children became professionals with advanced degrees. As that happened, many offspring of the mainlanders, because of poverty and poor school performance, began to fall behind; eventually, many youth from the military communities joined gangs because often their fathers were not home to discipline them.

According to my interview data and various secondary sources, mainlander-organized gangs were originally formed because of ethnic conflicts. According to a Bamboo United leader: "In the past, we [the offspring of mainlanders] were often harassed by native-born Taiwanese. That's why it was only natural for us to stick together to protect ourselves. These self-help groups later became gangs."

Another gang member explained how he became a brother:

I became a brother because I grew up in a military commune. Being a kid in that environment means you have a very different experience than kids in urban centers where you don't even know who lives in the same apartment complex. But in the commune, we kids knew each other very well, and it was common for us to stick around together and drink and fight.

As mentioned previously, in contrast to *jiaotou* groups, gangs in Taiwan are well organized. Although there are several hundred small street-corner gangs that have only one leader and several followers, this chapter focuses on nationwide or citywide gangs. These large organizations, although identified as gangs, are essentially organized crime groups (Su Nang-heng 1997).

A typical organized gang has a headquarters known as the *zong tang* to oversee the activities of several *tangs* (branches). The headquarters have a *zong tang zhu* (master of the headquarters), *fu zong tang zhu* (associate master of the headquarters), *zong tang zhi fa* or *zong tang hu fa* (enforcer of the headquarters), and *zong tang lao yao* (bodyguard and confidant of the master). Under the headquarters, there are several *tangs* represented by characters such as *Lung* (dragon), *Foo* (tiger), *Fung* (phoenix, exclusively for female members), *Paok* (leopard), *Wu* (martial arts), *Ying* (heroic), *Sze* (lion), and *Shung* (bear). Within the *tang*, there are a *tang zhu* (branch master), *fu tang zhu* (associate branch master), *zhi fa* or *hu fa* (branch enforcer), *lao yao* (confidant of the branch master and leader of the street soldiers), and ordinary members.

As a result of the rapid expansion of the gangs in the 1980s and 1990s, some of the largest gangs in Taiwan now have hundreds, or even thousands, of members, a dramatic increase that has changed relationships among leaders and members. A leader of the Four Seas noted:

In the past, gangs were relatively small. As a result, we knew each and every member of our gang well and we cared about each other. If one of my little brothers was arrested, it was as if one of my own natal brothers or sons had been arrested. We felt very bad. Nowadays, gangs are very large. Members don't know each other, and they don't care. If a little brother gets into trouble with the authorities, so what? Let him do time; no big deal.

Bamboo United: "The Largest Gang on Earth"

The Bamboo United is one of the three largest organized gangs in Taiwan. The media in Taiwan labeled the gang "the largest gang on earth" (Chen Chang-fung 1986). Since its involvement in the killing of Henry Liu, the organization has become known internationally (Kaplan 1992). Although dozens of leaders and hundreds of key members were arrested during the various crackdowns, the authorities still consider the gang to be a formidable criminal organization (National Security Bureau 1997; Lin Ching-lung 1998).

The Bamboo United was established by a youth named Chao Lin in 1956 in the town of Yung Ho (then a suburb of Taipei which later grew into a city in the 1990s). Chao started his gang as an alternative to the original, Yung Ho gang. Although the police broke up Chao's gang in 1958, by 1960 it had resumed as a powerful gang, with influence over much of Taipei. In 1968, a leader named Chang An-lo called a meeting to reorganize the gang. Under Chang's direction, the gang restructured into five *tangs* (branches), with each *tang* represented by a bird, a dragon, a lion, a leopard, or a phoenix (Chi Chung-shien 1985). In 1970, the gang leader Chen Chi-li ordered a member to attack another leader who had betrayed the organization. The traitorous leader was chased and slashed with a sword in daylight through downtown Taipei. The incident shocked Taiwan. As a result, the police launched another attack on the gang, after which the Bamboo United went into hiding for the next ten years (Jin Si 1984).

In 1981, some of the leaders began to operate underground dancing rooms and hoped to infiltrate the lucrative entertainment business. Chen Chi-li reemerged after several years of imprisonment. During that time, many new members were recruited. Chen reorganized the gang into eight *tangs*, that is *Chung* (loyalty), *Hsiao* (filial piety), *Ren* (benevolence), *Ai* (love), *Shing* (trust), *Yi* (righteousness), *Ho* (harmony), and *Ping* (peace). At the end of 1981, four additional *tangs*, *Tien* (heaven), *Ti* (earth), *Tse* (utmost), and *Juen* (privilege), were added (Chang Kung 1983). By 1983, another thirteen *tangs* were established. Besides the twenty-five local *tangs*, the gang had also established a Chao Tang (Overseas Branch) in Hong Kong in 1982. Hong Kong police raided the Chao Tang in 1985, and seven

members were arrested for operating a criminal organization. Although the gang has not established a *tang* in the United States, it has a substantial number of members who are active in Los Angeles, San Francisco, Houston, Dallas, and New York. The gang also has members in the Philippines, Saudi Arabia, and Japan.

Some sources indicate that the gang has headquarters with a *zong pang zhu* (master of the gang), *zong hu fa* (enforcer of the gang), and *zong shwin cha* (superintendent of the gang). Each *tang* has its own *tang zhu* (master of the *tang*), *fu tang zhu* (associate master of the *tang*), *tang hu fa* (enforcer of the *tang*), and *tang* members. Some of the more powerful *tangs* diversify their powers into a few subbranches, called the *tans* (meaning altar). Within each *tan*, there are a *tan zhu* (master of the *tan*), *fu tan zhu* (associate master of the *tan*), and *tan* members. All new recruits are called *zhu ye qing* (bamboo youth) who work as street soldiers for the organization.

Some unofficial sources indicate that there are over 10,000 Bamboo United members in Taiwan (Jin Si 1984). Some of the major *tangs* have several hundred members. For example, according to law enforcement sources and the press, the Hor Tang has from 500 to 600 members. During the 1984 Operation Cleansweep fifty-two members of the Tien Tang and twenty-three members of the Hor Tang were arrested.

A journalist suggested that the Bamboo United had neither a headquarters nor masters of the headquarters (Jin Si 1984) because when Chao Lin first established the gang in 1956, he had declared the Yung Ho gang's ex-leader Pang Sze-ming as the eternal master of the organization. As a tribute to the pioneer, it was then decided that there should be only *tang* masters, and no one else should be identified as the highest leader of the whole organization. Chen Chi-li, the alleged *zong pang zhu* (master) of the gang, denied that the gang had a headquarters; he insisted at a trial that there were several parallel leaders above the *tangs*, and he was only one of them. However, law enforcement authorities in Taiwan are convinced that there is a central body that not only closely supervises, but also provides necessary financial assistance and firearms to the *tangs* on certain occasions.

Chen Chi-li

The development of the Bamboo United has been closely related to Chen Chi-li. Chen was born in China in 1943, and he arrived in Taiwan with his parents at age six when the KMT retreated from China. Chen's father was a prosecutor, and his mother, a legal clerk. Chen joined the Bamboo United in 1958, when he was fourteen. He acquired a nickname—the Duck (*Yaji*)—right after he joined the gang. In 1965, he received his bachelor's degree in engineering from Tam Kiang College, a significant accomplishment during that period. After graduation, he served in the army as a lieutenant, and upon discharge worked as a commercial

painter. At this time, Chen led young Bamboo United members in vicious gang fights with the Four Seas and the Nyo Pu. According to one of the original leaders of the Bamboo United:

At the very beginning, we did not have any influence in Taipei; the Bamboo United then was basically a small gang. At that time, the largest gangs were the Four Seas, Wen Shan, and Xue Meng. Only after we beat the Nyo Pu were we able to establish ourselves in Taipei. At that time, Nyo Pu had a formidable reputation as a tough gang, plus it was also a native *jiaotou* group. None of the mainlander gangs were in a position to challenge them, except us. We had only thirty to forty members who could fight, but the Nyo Pu had around 200–300 good fighters. Even so, we out muscled them. Once we obtained a power base in the Chung Shan District, we began to expand, mainly because so many young people were willing to join us.

At that point, I suggested not expanding the gang too fast because we did not really have that much power yet. Besides, if we recruited too many people too quickly, we might end up having a bunch of mediocre members. I suggested that we transform the gang into a business, and that once we had an organization that was both a company and a gang, we would be able to do business more efficiently than the legitimate firms. Heung Wah-chang was at the meeting. He came to Taiwan along with his father Heung Cheng, the godfather of the Sun Yee On triad [the most powerful organized crime group in Hong Kong], after his father had been deported by the Hong Kong authorities. Chen Chi-li did not agree with me, but later my idea was implemented by Heung Wah-chang in Hong Kong. You can see how successful the Heung family now is in the Hong Kong business sector. They also have funds to take care of the families of those brothers who are killed or imprisoned. The Bamboo United does not have these types of funds so far.

Thus, Chen was determined to develop the Bamboo United into the largest gang on earth. Chen gradually emerged as one of the *lao yao* (confidants) of the gang. Since 1967, Chen has been the most powerful leader of the organization. He was arrested and indicted in 1970 for aggravated assault and sentenced to jail for two and a half years. Upon his release, Chen was sent to Green Island, off the coast of Taitung County, for three and a half years, a place where chronic criminals are disciplined and punished harshly. He was discharged from Green Island in 1976 (Lau Pin-ping 1988).

Since his release in 1976, Chen has turned his attention to business. Cheng An Enterprise (CAE), a fire equipment firm, was established in 1977, a year after his release from prison. Three years later, CAE's market share had grown 70 per cent. Some of the luxurious hotels in Taipei were equipped with CAE equipment. Thus, within a relatively short time, he had become involved in such legitimate businesses as selling and manufacturing fire protection equipment; international trade; water and electrical engineering; electronics; stainless steel; heavy equipment; newspaper and magazine publishing, record production, and nightclubs (Chao Mu-sung 1992c).

According to Chen, from 1976 to 1980 he remained a law-abiding businessman and completely dissociated himself from the Bamboo United. In 1980, he reemerged as the leader of the gang because some intelligence agents visited him and asked him to “do something” for the country. Chen brought up the issue in his tape-recorded confession in Los Angeles on October 17, 1984, recorded two days after the murder of Henry Liu:

Non-KMT politicians and Taiwan Independence people have used all means to make connections with the ruffians in local communities and have provided these ruffians with financial aid and ammunition. To the government, these people have become a potential source of trouble. Because Taiwan Independence people who study abroad do not dare to play the vanguards in various incidents, they have used local ruffians to be the vanguards. The masses are blind. They march forward blindly, and they follow blindly. Like the Chung Li Incident in 1978, it was spearheaded by ruffians, and the masses followed blindly. The Kaohsiung Incident, the Formosa Magazine Incident, are all like this.³

Four years ago government agencies of all levels came to see me because I was originally the leader of the biggest gang in Taiwan. Moreover, I had great potentiality all over Taiwan. Therefore, the government wanted me to come back to the gang and reorganize the Bamboo United gang. Secondly, if non-KMT politicians and Taiwan Independence people want to initiate riots and are amassing local ruffians, I can know, and the government can take steps to deal with them. It was under such circumstances that I developed the Bamboo United gang and have made it the biggest gang in Taiwan. It surpasses any other gang in strength. (Committee to Obtain Justice for Henry Liu 1985: 47)

As a result, the Bamboo United expanded rapidly. The gang also established connections with members living in the United States, Hong Kong, the Philippines, and Saudi Arabia (Chung Lian-chen 1998). Chen told me about the status of his gang before and after he was arrested for the Henry Liu murder and the launching of Operation Cleansweep:

Before Operation Cleansweep, I controlled the Bamboo United tightly. My men were well disciplined. After my imprisonment, the gang became a mess. Before I was sent to a reform camp for the first time [in 1970], I made sure that Bamboo United members were not involved in reckless acts. But once I was detained, some of the little brothers were affected by the big brothers and became involved in criminal activities. After my release, the criminal justice agencies wanted me to reorganize the Bamboo United. That's why I asked many undisciplined leaders to leave the Bamboo United.

Chen Chi-li was arrested and convicted for the murder of Henry Liu. After serving six years in prison, he was released in 1991. His statement after his release was: “Over the past six years, I was like a stranded ship” (Chen Tung-hao 1991: 84). Chen and Wu Tun, the Bamboo United leader who pulled the trigger on Henry Liu, were treated as heroes by the media and the public. Chen had

denied he was the leader of the Bamboo United when he was detained, but now he said that he wanted to transform the Bamboo United into a legitimate organization. Wang Hsi-ling, the military intelligence chief convicted for sending Chen to kill Henry Liu, was also released at the same time (Liao Fu-shun and Chen Tung-hao 1991).

After his release, Chen Chi-li not only resumed his career as a successful businessman in fire protection equipment, the media, and publishing, but he also began to make a splash in the booming construction industry. Under the aegis of Chuan An Construction (CAC), a company with the highest grade of construction certificate, Chen managed to develop his business empire into an all-encompassing conglomerate that included dozens of well-established enterprises. He also began to invest in projects outside of Taiwan; one of his major overseas investments was a 10 billion Chinese yuan (about US\$1.2 billion) project in the Moon Lake area of Hunan Province. Chen's idea was to develop a resort center equipped with hotels, bars, nightclubs, and a golf course.

In 1996, right before Operation Chih-ping was conducted, Chen was diagnosed with cancer. According to Chen, his doctor told him to move to Cambodia in order to get away from business pressure in Taiwan and find a nice, quiet place to recuperate. He claimed that after settling down in a quiet spot in Cambodia, his cancer was miraculously cured. Chen said: "One day I woke up and I realized the pain was gone. I am now completely cured." Not long after Chen left Taiwan, Operation Chih-ping began in earnest. Chen was listed, again, as one of the top targets.

Chang An-lo

Besides Chen Chi-li, Chang An-lo is the most influential Bamboo United leader. Chang, like Chen, is a mainlander who was born in China, but he is considered to be the mainlander brother with the best connection to Taiwanese brothers all over the island. Chang is highly educated: He graduated with a bachelor's degree in history from a college in Taiwan, and he obtained a master's degree from a graduate school in the United States. He is also believed to have studied briefly at Stanford University (Wang Fung 1995b).

The media in Taiwan often characterized Chang An-lo as the "Brain" of the Bamboo United. It was he who came up with the idea of structuring the Bamboo United into various branches to make sure the branches would be under the control of the gang headquarters. Chang also played a pivotal role in the development of Bamboo United's recruiting methods, training programs, and rules for members to follow (Chao Mu-sung 1999).

The Henry Liu murder occurred in 1984 when Chang was in Los Angeles operating a Chinese restaurant. Chang was drawn into the case. Although Chang did not participate in the killing, his attempts to help Chen in the aftermath of the murder resulted in his indictment along with several Bamboo United members

living in the United States. Chang and his followers were convicted for drug trafficking, and Chang served about ten years in a U.S. federal prison before he was deported back to Taiwan in 1995 (Wang Fung 1995a).

When he returned to Taiwan, Chang An-lo was welcomed warmly by his Bamboo United associates. Soon, Chang began his own business, but before he made it big, he was implicated in a major bid-rigging case. Although he was not found to be directly involved in the crime, he was targeted during Operation Chih-ping, the third major crackdown on mobsters that began in 1996. Chang fled Taiwan that same year and settled down in China.

A former underworld figure who is now operating a social service program for ex-convicts told me how much he admires Chang:

There is one person I would say is a true brother. That man is Chang An-lo. After a Bamboo United member raped a woman, he showed up at the victim's home with a basket of fruits to express his regret on behalf of the gang. On another occasion, Chang had an opportunity to make NT\$30 million on a public project and he rejected it.⁴ When I asked him why, he said the project would not be good for our environment. The man even knows it is important to protect our environment!

Four Seas

The Four Seas, one of the two largest mainlander gangs in Taiwan, is a major rival group of the Bamboo United. It was established in 1955 by dozens of high school students after they met on the campus of National Taiwan University. Like the Bamboo United, all the students were mainland Chinese whose fathers were in the military; the major reason for the formation of the gang was to protect themselves from native Taiwanese delinquents (Chung Lian-chen 1998). On police order, the gang was once disbanded in 1962. In 1971, the gang re-emerged as some of the new leaders solidified the gang's economic foundation by operating gambling places and prostitution rings. The gang is not as well organized as the Bamboo United. Several independent leaders each control a faction of the organization. A leader may own a restaurant or a bar, and the place will likely be used as both the gathering place and workplace of the followers. Revenue from the business may be used to provide food and lodging for the members (Jin Si 1984). Some members were active in California in the 1980s; three of them were indicted along with Chang An-lo for kidnapping (*China Times* 1984).

According to a Four Seas leader, the main difference between his gang and the Bamboo United is that leaders of the Four Seas get along much better than the Bamboo United's leaders. Unlike the Bamboo United, no major internal power struggles have ever occurred among the Four Seas leaders. However, the same subject told me that, unlike the Bamboo United, the Four Seas never had a powerful figure to lead the entire organization.

Tsai Kuan-lun

One of the better-known Four Seas leaders is Tsai Kuan-lun—a 60-year-old, flamboyant chronic offender who is well respected among underworld figures. Tsai was a fighter pilot who retired from the air force in 1965 as a colonel and became involved in international trade. Tsai went into hiding during Operation Cleansweep, only to be arrested four months later. While incarcerated in a rehabilitation center in southern Taiwan, Tsai and Bamboo United leaders mobilized hundreds of prisoners in massive protests. Several inmates were killed in the incident. Tsai was released in 1988 and reemerged as the leader of the Four Seas.

Upon release, Tsai formed a company called Kai Nan Construction Company and became the chairman of the company. He then “hired” Four Seas members to work in his company and urged them to get rid of their gangster manners and wear three-piece suits. In an interview with a reporter in 1991, Tsai said: “Strictly speaking, the name Four Seas gang is history. We are talking with our lawyers about registering our organization with the government as a non-profit organization” (Teng Chi-er 1991a: 53).

Even though Tsai Kuan-lun claimed to be the chairman of a so-called Four Seas Company, his close association with gang members led to his arrest during Operation Thunderbolt, and he was subsequently sentenced to prison for three years. After his release, he again returned to the Four Seas. However, this time he was overshadowed by new, young leaders who were reluctant to share power with him. Because many other big brothers successfully transformed themselves into politicians in the aftermath of both Operation Cleansweep and Operation Thunderbolt, Tsai also decided to run for the legislature. He ran for office twice, but on both occasions he lost badly, mustering only a few hundred votes each time. Some believed that Tsai, knowing that he did not have a chance to win, was only interested in pocketing the political donations. Others thought that he was a godfather who had passed his prime.

Liu Wei-ming

Another notorious leader of the Four Seas was Liu Wei-ming. Liu had been in the headlines several times for his involvement in some of the most violent gang confrontations in Taiwan. He was also alleged to have participated in homicide and robbery. During Operation Cleansweep, Liu fled to the Philippines. He later moved to Hong Kong, and in early 1988 he traveled to Tokyo to oversee a gambling place that had been set up by Four Seas members there. However, a violent Taiwanese fugitive, Yang Swan-wu, was agitated by Liu’s (and his associates’) neglect of Yang’s presence in Tokyo. A reconciliation meeting was arranged between Liu and Yang, and a deal was made between the two, giving Yang a partnership in the gambling operation. Nevertheless, Liu angered Yang by boasting of his ability to mobilize troops of killers from Taiwan to settle any threat Yang would make. Yang and a group

of Japanese gunmen visited Liu's gambling place and killed him and his bodyguard. Most of the current Four Seas leaders were once the little brothers of Liu.

Chen Yung-ho

Like Liu Wei-ming, another Four Seas leader, Chen Yung-ho, aka Da Bao, was also gunned down by rival gang members in 1996. Chen was shot and killed, along with another Four Seas leader, inside the Hai Jen Bao Restaurant he owned in Taipei. The murder shocked both Taiwan's law enforcement authorities and the underworld. Even though the case has not yet been solved, there are two theories about Chen's murder. Some believe that Chen was killed because of his implication in the murder of Jia Shi-wei in Xiamen, China. Jia was a leader of the Taipei-based Pine Union gang who upset many Four Seas leaders in the mediation of a land deal. Before Jia was murdered, he prepared a list of people who might want to kill him, many of whom were Four Seas leaders. That's why Wang Shin, a gangster from the United States who became a good friend of Jia, orchestrated the killing of Chen (Ker Su-len 1996). Others assume that Chen was murdered because he got involved in a major financial dispute and mishandled the situation badly (Ho Shian 1996).

After the murder of Chen, the police predicted that an all-out war within the gangland in Taipei was inevitable. However, even though many Four Seas leaders have vowed in public that they were going to strike back, there was no retaliation from the Four Seas. According to a Four Seas leader:

Da Bao [Chen Yung-ho] never cultivated his own followers inside the Four Seas. I, along with Kuan-nang [Yang Kuan-nang] and French Chao [Chao Ching-hwa] are all emerging leaders in the Four Seas, and we all were followers of Liu Wei-ming [the Four Seas leader who was gunned down in Tokyo by Yang Shwan-wu]. That's why when Da Bao was murdered, Four Seas leaders and members did not retaliate.

Even so, Chen's funeral on February 11, 1996, in Taipei was considered to be one of the grandest in the history of Taiwan. All major organized gangs and *jiaotou* groups sent a delegation to the funeral, and the Bamboo United leaders showed up with a group of young members on horses carrying Bamboo United banners. Hundreds of imported luxury cars lined the motorcade, and some of the most powerful government officials and elected deputies in Taiwan were included in the organizing committee of Chen's funeral.

Celestial Alliance

The Celestial Alliance gang, known in Chinese as Tien Dao Mun, is now probably the most powerful crime group in Taiwan, mainly because it is made up of mostly Taiwanese who are either entrepreneurs or politicians, or both (Liu An-ti

1995). The influence of mainlanders in both the economic and political spheres has been replaced by that of the Taiwanese, who have also gained control of the Taiwanese underworld.

According to an official of the Ministry of Justice Investigation Bureau (MJIB), the formation of the Celestial Alliance can be attributed to Operation Cleansweep:

When the police failed to discourage the spiraling rate of gangs' growth, they launched a major war dubbed Operation Cleansweep on 12 November 1984. Unexpectedly, it only led to gangs' expedient stratagems of submerging, readjustment, and conversion. For example, a number of heavyweight chieftains and key figures of various gangs, when facing the abrupt impact, had decidedly thrown themselves together to set up the legendary Celestial Alliance. Meanwhile, each individual under the Alliance bent on its own pursuit of cover-up by starting legitimate business[es] of restaurants, recreations, movie theatres, and construction companies. (Cheng 1992: 3)

Ker Su-len and Hung Cheng-ming (1991) of the *China Times Weekly* reported that the Celestial Alliance was established inside the Taipei Detention Center on October 31, 1986, under the leadership of Lo Fu-chu. The gang was formed then and there because the *jiaotou* leaders inside the center could not stand the arrogant attitudes of the young Bamboo United members who made up one-third of all the Operation Cleansweep detainees. According to Lo Fu-chu, however, the formation of the Celestial Alliance was not meant to fight against the Bamboo United but against the whole Taiwanese society, especially the law enforcement community (Lin Chao-hsin 1994a).

Even though rumors about the formation of a powerful Taiwanese super gang were widespread at the time when Operation Cleansweep detainees were being released in 1987–88, no one was then sure that the gang did, in fact, exist. The existence of the Celestial Alliance was first confirmed, after rumors all over Taiwan, when a Celestial Alliance member Lee Jen-ya was arrested on November 17, 1988, for gun possession. Lee admitted to the police that he was a member of the Celestial Alliance and that he was transferred from Keelung to Taipei to work at the Sound of Music Nightclub, a joint business venture among such Celestial Alliance leaders as Lo Fu-chu, Wu Tung-tang, Lin Ching-piao, and Hsieh Tung-yun (*Scoop Weekly* 1988).

According to a person who is familiar with the inner workings of the Celestial Alliance, its members are more like businessmen than gangsters. They are not into protection and petty crimes. However, a Bamboo United leader had a very different viewpoint when he said: "We called the Celestial Alliance (*Tien Dao Mun*) the Heroin Alliance (*Si How Mun*) because members of the gang often use heroin. Members of other gangs are mainly involved in amphetamine use.⁵ The widespread use of heroin among Celestial Alliance members occurred because prison guards were selling the drug to people who were detained in the aftermath of Operation Cleansweep."

Lo Fu-chu

When people in Taiwan talk about the Celestial Alliance, the first person who comes to mind is Lo Fu-chu, a high profile independent legislator often seen on television screens beating up other legislators. Lo is alleged to be the “spiritual leader” of the Celestial Alliance. Lo, a former leader of the Wen San gang in Shin Juan District, was arrested in 1984 as a target of Operation Cleansweep. After his release in 1988, he became active in the real estate market, and reportedly he earned millions of dollars (Chen Jun-ping 1999).

Lo was also a target during Operation Thunderbolt, but he fled Taiwan traveling to Australia, Singapore, and China, where he had many businesses. Lo returned to Taiwan two years after Operation Thunderbolt was launched, but the Taiwanese authorities did not take any action against him. In 1992 Lo ran for the legislature and won. He ran for a second term in 1996 and won again. According to a media report, Lo was the second richest legislative candidate in the 1996 election, with assets of approximately US\$100 million (Kor Hung-chi and Chu Chia-yi 1995).

According to Lin Chao-hsin (1994b: 42), a reporter who had interviewed Lo:

Lo wanted to develop Celestial Alliance into an organization like the Yakuza [Japanese organized crime groups]. He said *heidao* people are not hooligans, and there's nothing wrong in having a *heidao* organization. According to Lo: “The word ‘*heidao*’ makes people uneasy and fearful, but how do you define ‘*heidao*’? Would you say all those who committed crime and did time are *heidao*? Then, does that mean all ex-convicts are doomed to be outcasts? Does that mean, no matter what they do after their release, they can't be accepted by our society? If the Celestial Alliance is such a monster, why does it survive? Why has it developed into a large organization in such a short period?”

“As long as other people can do it in the business sector, the Celestial Alliance can and will want to do it,” Lo said. According to Lo, the Celestial Alliance is a big business firm. Unlike other business firms, the Celestial Alliance has good connections and incredible power. That's why Lo wants to use these “resources” to develop the Celestial Alliance into a powerful business firm.

To be sure, the gang is involved in a variety of businesses, including real estate, bars, nightclubs, massage parlors, futures trading, freight, and a newspaper called *Kung Lun Daily*.

After Lo became a legislator and was being protected by a law that stipulates that no legislators can be arrested while the legislature is in session, he became all the more untouchable. His photograph was often seen on the covers of several popular magazines, and at least one graduate student in Taiwan wrote a master's thesis about him (Chen Jun-ping 1999).

Nevertheless, it is not clear how much control Lo has had on the entire Celes-

tial Alliance. One Celestial Alliance leader I interviewed does not think that Lo was that influential in the gang. A mainland gang leader also told me:

Lo Fu-chu can't control the entire Celestial Alliance. Many branch leaders do not take his orders, and there are also frequent disputes among the branch leaders. In fact, the branches are basically independent. Besides, it's not important which company you belong to anymore; it now mostly depends on who you are as an individual.

Lo's two sons are also highly successful in politics. The elder son, Lo Ming-shui, was elected to the provincial council in the early 1990s when he was only thirty, and he became the youngest provincial council member. The younger son, Lo Ming-chia, was elected to the National Assembly when he was only twenty-three, the youngest National Assemblyman and also the youngest member of the KMT Central Committee (Lin Chao-hsin 1994b). Lo Ming-chia ran for the legislature in 1996 and won handily.

Wu Tung-tang

Wu Tung-tang is considered to be the second-in-command within the Celestial Alliance, right after Lo Fu-chu. Wu was originally a *jiaotou* in Keelung, and he befriended Lo in prison. After his release, Wu became the leader of the Celestial Alliance's most powerful branch, the Sun Branch, and the main man behind the gang's power base, the Sound of Music Nightclub, in Taipei.

During Operation Thunderbolt, Taiwanese authorities listed Wu as one of their main targets, but Wu fled to China along with Lo Fu-chu after the gang's alleged advisor Yang Teng-kwei was arrested. In 1991, Wu was arrested in China and deported back to Taiwan (Ker Su-len and Hung Cheng-ming 1991). Wu was reported to have extorted NT\$20 million from a wealthy businessman.

Other Organized Gangs

Besides the Bamboo United, the Four Seas and the Celestial Alliance, there are several other organized gangs active in Taipei. These gangs, consisting mostly of mainlanders, include the Pine Union, Pei Lien, Wan Kuo, San Huan, Flying Eagles, Pirates, and Blood Alliance. The Pine Union and the Pei Lien, along with the Bamboo United and Four Seas, are considered to be the four largest mainland gangs in Taiwan. The Pine Union emerged as one of the more powerful organized gangs right after key leaders of the Bamboo United and Four Seas were imprisoned during Operation Cleansweep (National Security Bureau 1997). However, with the release of those leaders and the emergence of the Celestial Alliance, the Pine Union is now in the decline. The same is true with the Pei Lien after its flamboyant leader Tang Chung-sen, aka Chung Chung, was shot and killed by an unknown gunman in 1999 (*China Times Weekly* 1999b).

Loosely Knit Groups

It is important to note that some chronic offenders in Taiwan do not belong to any organized gang or *jiaotou* group. These chronic offenders usually are attached to so-called “robbery rings” or “kidnapping rings” and are sometimes more ruthless and vicious than gang or *jiaotou* members. While gang and *jiaotou* figures are becoming more and more inclined to participate in victimless crimes or white-collar crimes, the unorganized criminals tend to commit such predatory crimes as robbery, kidnapping, and extortion.

Although nonorganized criminals are less capable than organized criminal groups of penetrating the economic and political infrastructures of Taiwanese society, the former are considered more violent than the latter. Since 1983, law enforcement authorities in Taiwan have occasionally posted a list of the nation’s ten most-wanted criminals. Between 1983 and 1985, twenty-nine criminals were listed. All but two of those listed had committed at least one homicide with a firearm. Of the twenty-nine, only five were members of a criminal organization. Five, none of whom belonged to a gang, had either killed or wounded one or more police officers (Chen Nien 1985b).

Recently, Taiwanese authorities began to use the word *puliang juho* or bad group to describe small crime groups that are active in rural areas. These groups normally have one leader and several followers, and their illegal activities are confined to the immediate areas around them. The police often identify a group by the surname of the group’s leader, like the Wu Group, the Lee Group, and so on. These groups are active in vote buying, political violence, illegal gambling, and commercial sex; and some of the group leaders are locally elected officials such as township mayors or councilmen.

According to a brother of a loosely knit group:

I dropped out of school when I was in the seventh grade. Before I served in the army, I was arrested for using and selling drugs. I followed a big brother, and we are the so-called *puliang juho*. We’ve got a group of 30–40 people who hang out together.

Another *juho* member told me:

I’ve been traveling all over Taiwan. I never was affiliated with a leader or a group for long. We are all trying to make a living, and that’s why we go where the money is.

Conclusion

According to my subjects, the Taiwanese gangland has changed dramatically over the past two decades. First, gang and *jiaotou* members are now more concerned with money than anything else. A *jiaotou* member in Kaohsiung said that

only money matters nowadays in the underworld. The old values of loyalty, courage, and reliability have disappeared. Another *jiaotou* in Kaohsiung told me that a *heidao* figure now could “ave face” only if he had money.⁶ Because he was so broke at the time I interviewed him, he said he felt embarrassed even to show up at dinner parties attended by other *heidao* figures.

Second, firearm are now the second most important possession in the underworld. Many subjects I interviewed told me how vital it is now for *heidao* figures to possess powerful firearms because it determines which person or group will have the upper hand in a gangland confrontation. A *jiaotou* member put it this way: “In the underworld, it’s 50 percent money and 50 percent firepower. You have to have both to make it in the gangland.”

Third, traditional gang values and norms have eroded. In the past, followers were respectful of their leaders; nowadays, leaders can be killed by their followers if the former are unwilling or unable to meet the latter’s financial demands.

3

Criminal Activities

Like most organized crime groups around the world, those in Taiwan are often involved in extorting money from business owners or in providing “protection” to businessmen for a price. In Taiwan, there is a strong demand for gambling and prostitution but, with the exception of licensed brothels located within certain areas, it is illegal to operate gambling or prostitution establishments. As a result, it is common for crime figures to either operate these businesses themselves or to be hired by these establishments. In Taiwan, there is a well-established underground banking system where ordinary people as well as desperate businessmen may borrow money when they cannot get a loan from legitimate banks. Whenever these underground bankers have difficulty collecting money from their clients, they turn to gangsters for help. Consequently, crime figures in Taiwan are often involved in debt collection.

Financial disputes in Taiwan are rarely settled in court because the process is time-consuming and costly, and people have little faith in the system. As a result, informal means have emerged to meet the needs of a financial environment requiring conflict resolution. Powerful crime figures often act as “arbitrators” in a variety of business disputes. If a financial dispute involves a major land deal, a reputable crime boss could easily make a hefty amount of money by settling it in a way that leaves both parties satisfied. It follows that violence is an integral part of all these lucrative activities.

In this chapter, I will discuss the “traditional” criminal activities associated with *jiaotou* groups and gangs in Taiwan, that is, extortion, gambling, prostitution, debt collection, dispute mediation, and violence. Their penetration into the legitimate business and political sectors will be examined in the following chapters.

Extortion

Extortion and gambling are the main criminal activities of Taiwan’s gangs and *jiaotou* groups. Prime targets of extortion include hawkers and owners of restaurants, bars, dancing halls, barber shops, cafeterias, brothels, and music halls. Many of these businesses are “underground” because owners try to avoid paying

heavy taxes by not registering with authorities. And some of these places, even though they may be licensed, may operate prostitution rings as well. As a result, most businesses prefer to pay heavily to extortionists rather than have illegal activities made known to authorities. Should the storeowners refuse to pay, they very well might be assaulted or burglarized.

Heidao figures are very subtle and efficient extortionists. For instance, hawkers on Canton Street in the Wanhua District of Taipei City have said that every evening, *heidao* figures will come by to sell them tea for an exorbitant price. If the hawkers refuse to pay the high price, the extortionists will immediately harass the business. For food hawkers, the situation is even worse. Gangsters not only collect protection fees from them, but they also demand free meals (*World Journal* 1984a).

Since the mid-1980s, patterns of extortion have dramatically changed. Instead of asking small business owners to donate money or buy something for unreasonable prices, gangsters will request that their names be listed as copartners in the business venture—although they have not invested any money at all. As copartners, gang members are entitled to receive dividends from the company, but they are not responsible for any losses incurred. This practice of extortion is known as a “dry partnership,” meaning that there is no substance in the partnership. This type of extortion appears to be quite pervasive among Japanese crime groups (Kaplan and Dubro 1986).

Some organized crime groups, whose turfs are adjacent to train stations, are involved in collecting illegal commissions from taxi drivers who seek long-distance passengers. For instance, the gang that controls Tainan City’s train station places some of its gang members around the clock in front of the station. The members’ job is to “help” cab drivers find those passengers who either missed the train or who were unable to get a train ticket. Most taxis in front of the station are from out of town, and they are in Tainan City because they have just dropped off passengers in the city. In order to make some money for the return trip, they flock to the city’s train station to pick up passengers planning to go to the cities from which the cabs originated. These cab drivers have no choice but to accept the “services” of the gangsters in finding the right passengers. As a rule, the drivers have to pay the gangsters one-third of the estimated fare up front (Wang Fung et al. 1984).

Besides hawkers, cab and bus drivers, and small business owners, gangsters also exploit professionals such as clinical doctors in Taiwan. A medical doctor indicated that:

After I opened my clinic, a guy came and asked me to buy a pen for NT\$3,000. That was a lot of money in the 1980s. Some Nyo Pu members [the clinic is located within the Nyo Pu’s turf] also came in and asked me for money. I called the police, and a police officer brought me to the headquarters of the group and introduced me to the group leader. The officer told the group leader I was one of

his relatives. The leader assured us that everything would be okay. After that, the group never bothered me. A few years ago, someone wrote me and asked for NT\$2 million. I called the police right away. I was harassed for several months, during which time I was extremely frightened. I even came to the office wearing a bulletproof vest. Can you imagine that? A doctor goes to work wearing a bulletproof vest! Once, the guy called me and asked me to deliver NT\$2 million immediately. I called the police, and they arrived heavily armed. But the guy got away.

As the Taiwan economy took off in the early 1980s and remained strong for the next two decades, it created a class of wealthy businessmen. When these individuals were approached by *heidao* figures for money, the demands could be in the millions. For example, Wu Tung-tang of the Celestial Alliance was alleged to have extorted NT\$20 million from a business owner.

According to a survey conducted by *Business Weekly* (1989), one of the top two business magazines in Taiwan, 23.3 percent of the respondents from the manufacturing industry had been subject to extortion, and 78.3 percent of them said they had heard that their friends were victimized. Most of the victims paid between NT\$1–5 million to their extortionists. Another survey conducted by the National Police Administration in 1990 found that one in ten businessmen in Taiwan was a victim of extortion. The most vulnerable was the construction industry, followed by the food industry and the financial industry (*China Times* 1990).

In the early 1990s, as businesspeople became increasingly vulnerable to extortion, many of them gave up their careers in Taiwan and emigrated abroad with their families. Those who remained maintained a low profile: They did not visit expensive restaurants and entertainment centers; they dressed casually; and they drove locally made, inexpensive cars.

More recently, politicians have become prime candidates for gang extortion. As will be discussed in Chapter 6, politics in Taiwan has become a major forum for the super rich because of vote buying. Many talented people are left out of politics because they do not have the money to get elected in either local or national elections. Since the mid-1990s, many elected deputies or political candidates have been heavily extorted by *heidao* figures and, as public figures, they are reluctant to report their victimizations to the police.

Besides being plagued regularly by gang and *jiaotou* figures in the community, many businessmen and politicians are also occasionally approached by criminal fugitives. In Taiwan, there are, at any given time, a certain number of *heidao* figures who are wanted by the authorities after they have committed heinous crimes; these violent *heidao* members, knowing that they could be sentenced to death if arrested, are determined to get what they want. As a result, many of the rich and powerful are highly unlikely to reject any demands made by those who are on the run from the authorities.

Most victims paid the ransom and were released, but some victims were killed

either to eliminate witnesses or because something went wrong in the process of obtaining the ransom money. If caught, kidnappers usually are given a death sentence. However, even though many kidnappers in Taiwan have been executed over the past fifteen years, it seems that it has had no apparent deterrent effect on criminals who are desperate for money.

Gambling

Both organized gangs and *jiaotou* groups are heavily involved in operating illegal gambling places, an activity known as *qingke* or invitation to a free dinner. In northern cities, these operations are located in hotels and lodges, but in the remote southern areas, they are located in sugar cane fields (Chao Mu-sung 1999).

Gambling is the lifeblood of criminals in Taiwan; it is the fastest and safest way to make money. Businessmen will be "invited" by the gangsters to gamble, an invitation most businessmen dare not refuse. Rebuffing such an overture may mean trouble, and they probably realize that subtle coercion is at least better than outright violent extortion. Besides businessmen, leaders of other criminal groups who have their own gambling places will be invited. As a rule, if one leader invites another to gamble at his place, he should return the favor by gambling at that leader's gambling place as well. Should he fail to observe such a courtesy, he may be assaulted, or his gambling place may be robbed. At the least, he will be ostracized by the underworld. Reciprocal patronage among gambling places is one of the most important mechanisms in maneuvering diplomatic and strategic relationships among various crime groups. It is the best indicator in understanding who is getting along or who is at odds with whom, and it permits a measure of individual or group influence and power that the sponsors of the gambling places possess.

A *heidao* figure who was active in operating gambling activity claimed that:

When we "invite" businessmen to come to "support" our gambling business, they are prepared to lose all their money. They are willing to go along with this because they know we will not bother them at other times. If we want to exploit them, there are so many ways to do it. Besides, if they "help" us, we will help them with any problems they encounter.

We try our best to find businessmen to come to our gambling place because, with them, we don't have to return the favor. But if a customer is a *heidao* figure, then we are obliged to gamble at his place. The other advantage of businessmen is that we don't have to offer them a discount. If the loser is a *heidao* figure, it is customary for the house to offer a certain discount, normally 30 percent.

There are gambling-related disputes among brothers mainly because some brothers like to gamble NT\$10 when they only have NT\$1. And if they lose and can't take care of their debts, then it could lead to a violent confrontation, even though we all are brothers and we try to respect one another most of the time.

When we operate a gambling den, we almost always make money because we collect a 5 percent commission on all bets. After a few days, most of the money ends up in our pockets as commissions, even though some customers still have the chance to win at the end. We also have to bribe the police when we operate a gambling place.

Only cash is accepted in these places unless the person who issues the check is well known and reputable. Once a gambling place is set up, it operates around the clock for a few days or weeks and then disbands. The house provides free meals and drinks. It is not uncommon for the operator to net several million Taiwanese dollars within a few days.

Violence is common. Rival crime groups may come just to create trouble; powerful *heidao* figures may refuse to pay cash when they lose, insisting on getting a loan from the operator; or the operator may cheat. The gambling places also attract fugitives. Most fugitives in Taiwan extort gambling places for money to spend while they are on the run. Sometimes the fugitives are voluntarily supported by gambling operators, or a fugitive might set up his own gambling place to generate enough money to buy his way out of Taiwan. When an operator invites guests to his gambling place, he will often make clear his need for money to go abroad. In short, operating a gambling place is a typical and quick way for *heidao* members to generate money for most ventures.

Yet, according to my subjects, not every gambling place makes money. A police officer told me:

Usually, a gambling place will be operated for fifteen days and disbanded, mainly to ensure that it will not be raided by the police. Some gambling places are protected by the police or politicians, and if that is the case, other *heidao* figures will not harass the operation. The reasons why some operators do not make money include: (a) the place is raided by the police, (b) the operators are extorted by fugitives, or (c) the operators cannot collect the gambling debts.

A *jiaotou* leader in Kaohsiung told me there are many factors that could affect the success or failure of a gambling joint:

Operating a gambling place does not guarantee you profits. You've got to be good at gambling, whether in your own or another person's gambling place. You have to have the ability to win money. And, you also have to have the means to collect gambling debts. There's a saying among us: "It's not how much you win; it's how much you can collect." Normally, whenever a gambling place is opened, the operator needs to entertain his customers before or after the operation, and that also costs a lot of money.

Gang leaders with good connections to wealthy people are often in a better position to make money from their gambling operations, even though the money they make could also be easily spent. A *jiaotou* member indicated that:

When I was with the Kung Kou [a *jiaotou* group], when the going was good, we could make NT\$50 million a day from our gambling operation. Of course, that's because our leader had the connections with many rich and powerful people, and when he invited them, they'd come. But it really doesn't lead to a huge savings account because we also spent money like water. Once, my big boss and me went out and spent more than NT\$1 million in a day. When we were about to go home, we realized that we didn't even have enough money for a taxi.

Many gangland murders are the result of gambling-related disputes. A former *heidao* figure who was sentenced to death and later had his sentence commuted told me the following incident:

I was sentenced to death because I helped a friend. He lost a lot of money to a group of gamblers who cheated him. When I got there, I was trying to get the money back for my friend. After I walked inside with a couple of my followers, they pulled down the steel gate, and that made me nervous because they had quite a few people inside the house. I asked the people there who was the main man. After they pointed out the guy, I shot him. I didn't want to kill him, but he moved when my gun went off, and that's why he was hit in the heart rather than the arm. When I began to shoot, my followers also opened fire. Only later did I learn that I had killed that man.

Because *heidao* figures are heavily involved in operating gambling places, they all need powerful firearms. For fugitives who want to extort money from a gambling place, they have to be heavily armed to convince the gambling operators that they are dangerous. Gambling operators also need to have guns to collect their gambling debts. They also have to have guns to protect their illegal operations (Mo Huai 1980).

Instead of operating gambling joints themselves, powerful *heidao* figures may demand that gambling operators in their territory pay them a certain percentage of their profits. According to Yang Swan-wu, one of the most notorious gangsters in Taiwan, most gambling places had to pay 20 percent of their revenue to the crime boss who controlled the area where the gambling joints were located. The share, called *kong er*, means "hoodlum's share." All expenses and bribe money had to be deducted from the remaining revenue before the shareholders of the place got their dividends. If Yang Swan-wu was to receive the *kong er*, then he had to let people from both *heidao* and *baidao* know that he was receiving it. This way, nobody would dare to interfere with the operation (Wu Kuo-tung et al. 1987).

In sum, to operate a gambling place in Taiwan, one has to have connections with both *heidao* and *baidao*. As a result, an ideal person to run a place like this is a local politician with a *heidao* background. As will be discussed later in Chapter 6, a large percentage of locally elected politicians are involved in operating gambling places.

Besides operating gambling places, *heidao* figures are also heavily involved in *da jia le* (or *liu he cai*)—the Taiwanese version of the lottery (Chao Mu-sung 1987b). More than 3 million people in southern Taiwan (out of a population of 22 million for the whole island) were involved in *da jia le* gambling, and 8 out of 10 households (sometimes the whole household) were affected. When it was first introduced in Taiwan in the mid-1980s, the numbers game was so popular among such lower-class people as taxi drivers and store employees that it was almost impossible to hire a cab on evenings when the winning number was announced. Moreover, temples were almost always packed with *da jia le* players looking for divine help in finding the lucky number (Kao Ching-fan et al. 1986).

The Celestial Alliance is believed to be a key player in the *da jia le* business. The group acts as the ultimate banker, accepting bets that could not be absorbed by mid-level bookies. According to a *jiaotou* and a mid-level bookie in Kaohsiung:

Come to think of it, in the past when I had money, I had more than NT\$100 million. I used to be a *zutou* (a mid-level bookie). At the very beginning, I did not gamble myself, so I made a lot of money. At the peak of *da jia le*, almost every household was gambling. Later on, I myself got involved in gambling, and also linked up with the Celestial Alliance. The Celestial Alliance began to accept unlimited bets, and they asked me to accept all bets, no matter how heavy the bet, and they would take on whatever amount we couldn't take on. On several occasions, after I accepted the bets, the Celestial Alliance changed their minds and said they wouldn't take the bets. Because I couldn't return the bets, I decided to take them on all by myself. Unfortunately, when the numbers came out, I was the loser. I lost awfully. In the gambling world of Taiwan, there's still trust and reputation; that's why you rarely see a bookie disappear after he or she has lost. Most of them would take the responsibility.

No matter how responsible most bookies are, there is always the possibility that a bookie may defraud the winners, or that the gamblers cannot come up with the payment after they lose. As a result, violence related to the lottery game is common. A gangster was shot to death by another *heidao* figure after he refused to pay a group of winners. The latter hired the gunman to collect the money from the cheating bookie (Chao Mu-sung 1987b).

Commercial Sex

Organized gangs and *jiaotou* groups have always been heavily involved in the sex business in Taiwan. Even though there are many licensed brothels in major cities across the island, the demand for commercial sex is so strong that many establishments such as hostess bars, ballrooms, barbershops, nightclubs, and hotels have become fronts for prostitution (Chi Chung-shien 1987). Taipei in the north, Taichung in central Taiwan, and Kaohsiung in the south, are the three major cities with the largest number of sex establishments (Chung Pai 1984a).

Most licensed brothels are controlled by various *jiaotou* groups. For example, the largest concentration of licensed brothels in Taipei City is in the Wanghua District, an area tightly controlled by the Fang Ming Kuan. As a result, women working in the area have to pay protection money to members of the *jiaotou* group. The same is true with women working in licensed brothels in other cities.

Because many entertainment centers are illegally involved in prostitution, they also need to be protected both by *heidao* figures and law enforcement authorities. Some of these sex firms belong to underworld figures, and some of them hire brothers to work in the valet parking service or as waiters inside the establishments. However, the main function of the brothers is to maintain order within the business premises and make sure other *heidao* figures will not exploit the establishment.

In Taiwan, it is no secret that police accept money from certain underground businesses. For many retired police officers, working for sex establishments as a public relations person or "inserting flag" (guard) are their best work opportunities after retirement. This type of relationship enables the owners of sex businesses to operate with few constraints and also enables many police officers to earn bribes (Ker Su-len 1988a). According to a sex business owner: "Our business is illegal, and if we do not pay tribute to the 'local divines' (*tudi gong* or the local police), we can't do business. Spending a small sum of money to obtain peace is, for us, worth it. Besides, once we have the support of the *baidao* [the officials], *heidao* will not bother us. Why should we not do this [bribe the police]?" (Ker Su-len 1988a: 137).

As the economy of Taiwan took off in the early 1990s, ballrooms and nightclubs were first replaced by the so-called "barbershops" and later by piano bars. "Barbershops" are basically massage parlors staffed by young, beautiful women who may or may not know how to massage but are eager to please their customers by all means to assure that their customers stay in the store for hours and spend a good deal of money. Some of the well-established high-end "barbershops" in Taiwan are breathtakingly large and sumptuously decorated. Piano bars are extremely expensive entertainments for the very rich. Even though the beautiful and sometimes highly educated hostesses in these bars are not outright prostitutes, a customer with a lot of cash to spend may somehow find a way to escort the girls out of the bar for sexual purposes (Ker Su-len et al. 1994).

Heidao figures in Taiwan are also active in operating KTV stores (karaoke clubs). Some of these places allow customers to fool around with waitresses inside the establishment or to leave the premises with the so-called "public relations girls," and it will be up to the girls to decide whether or not they will get involved in prostitution (Chao Mu-sung and Hung Cheng-ming 1992). A subject in Pingtung told me how a *jiaotou* there makes money through the KTV business:

Heidao figures are also involved in the KTV business. Ah Liang [not his real name] opened a KTV store in central Taiwan, where he worked with other

brothers there. Four people each invested NT\$1.5 million. However, the total cost (including renting a piece of land and constructing a model house like a KTV store) needed about NT\$16 million. What they did was to pay the remaining NT\$10 million in post-dated checks to the various contractors with the understanding that these contractors had to come in and spend money when the store finally opened. By the time the checks were cashed, the gangsters had already earned their money. At that point, they sold the KTV business for NT\$10 million. In this kind of scheme, they are guaranteed to make money.

It is true that some *hiedao* figures are extremely reluctant to get involved in the commercial sex trade because they view it as “relying on women for food.” However, there is also no doubt that many *heidao* people are willing to play a role in the sex business as long as they are not directly involved in the day-to-day operations.

Debt Collection

In Taiwan, it is quite common for businessmen to offer credit to clients without collateral. It is also prevalent among *heidao* figures to extend credit to each other in the gambling places. If the debtor fails to return the money on schedule, then the creditor may hire gangsters to take care of the collection. As a rule, the commission is 50 percent of the money collected. If the debt collectors are unable to collect any money, then they pay their own expenses. Some debtors who are not able to repay their loans in a timely manner may resort to dramatic solutions like suicide. For instance, a construction businessman committed suicide because he owed several million dollars to a gambling place operator and could not repay his debt. Also, several Bamboo United members were arrested for assaulting and threatening a travel agency clerk when attempting to collect a debt from the agency. Ironically, members of the same gang may have been hired by both the debtor and the creditor to settle the dispute. In those cases, gang members may end up killing each other for the sake of the commission.

In recent years, some crooked businessmen fled Taiwan with all their money, leaving behind a large number of debts. A businessman who owed a lot of money in Taiwan fled with his family to Manila in January 1985. A few weeks later, the mutilated and burned bodies of the businessman, his wife, his five children, his brother, and his brother's wife were found in a suburban area of Manila (*World Journal* 1985b). Later, police in Manila and Taipei announced jointly that the businessman's creditors had ordered the murders, which were said to have been committed by members of the Bamboo United (*Centre Daily News* 1985).

Because most debtors who flee Taiwan come to America, the Taiwanese gangsters in America are often hired as collection agents by the Taiwanese creditors. The commission is the usual hefty 50 percent of the debt collected (*World Journal* 1984b).

According to a brother from Changhua:

In Taiwan, besides operating gambling places, helping certain candidates in their election campaigns, and protecting our big boss's nightclubs, we also collect debts for individuals. When we go to collect debts, we will always insist that the creditor go with us so that people will not criticize us for our behavior. As long as we find the debtor, we are confident that we will get the money. The worst is that we can't find the debtor.

In sum, if a person in Taiwan fails to repay a debt, he or she will most likely be approached by gang members hired by the lender. Usually, the debt collectors will work out a reasonable payment plan with the debtor, but it is also very likely that an uncooperative debtor could be seriously hurt, or even killed, by the debt collectors.

Settling Disputes

Gambetta (1993) proposes that one of the main functions of the Sicilian mafia is the regulation of transactions. According to Finckenauer and Waring (1998: 20):

Gambetta argues that the Sicilian mafia is strictly in the protection business. Mafiosi provide protection, of both the interests and the person, to one or more of the parties in a transaction. They act as a kind of civil court or Better Business Bureau to protect unstable transactions, when trust is scarce and fragile. The Mafiosi is thus a vendor of trust. Honor for the Mafioso comes from his reputation for supplying credible protection.

Heidao people in Taiwan are also heavily involved in mediating or settling disputes. In a rapidly developing society like Taiwan, many business interactions are not regulated by laws perhaps because the enforcement of the existing laws is far from being fair or efficient. Besides, many business practices are either illegal or semi-legal. Furthermore, most businesspeople are reluctant to solve their disputes in court because it is time-consuming and costly. As a result, whenever there is a business dispute, the involved parties are most likely to settle it in private. This, inevitably, has led to the involvement of *heidao* people. According to a Bamboo United leader:

This is a dog-eat-dog world; there are many conflicts that can't be solved through legal channels. Once, someone owed me money, and I tried to settle it through the criminal court. But the court said this was a civil case, and I would have to go to a civil court. There were many delays in the process. I was frustrated, but, finally, when I used my brothers to settle the issue, it was immediately solved.

Besides business disputes, *heidao* figures are also involved in a variety of other conflicts, including medical malpractice. A physician in Taipei told me:

We are exploited whenever we are accused by our patients of malpractice. If one of my patients dies after surgery, the patient's family will come to me and

complain that I did something wrong. They will ask for compensation. I don't have malpractice insurance because the insurance company will pay only if I admit wrongdoing, but I will never admit it because this would mean I have criminal responsibility and that means doing time in prison. If I am accused, the patient's family will then try to find gangsters to help them settle the issue with me. Often, because of gangsters' involvement, the compensation fee will be astronomical. I am tired of dealing with these problems. That's why I am not doing surgery anymore and just maintain a preliminary diagnosis office.

Some *heidao* figures I interviewed admitted that they are involved in mediation, but they are not doing it mainly for money:

Basically, brothers help people settle their problems. We really don't want to intervene, but we can't help it because we are living in the world of *jianghu* [Chinese underworld]. When people come to seek help from us, it's not polite to say absolutely no. In fact, we make very little by intervening in others' business, and if we don't handle these conflicts right, we could get ourselves killed. Of course, it is very rare to have violent confrontations in these settlements; most of the time, the conflicts are settled peacefully.

Not every *heidao* person is qualified to be a mediator. According to a Bamboo United leader:

It's not like you can intervene whenever you want to. To do this type of job, you need to have a good reputation and seniority. Only when you have these qualifications will people look to you for help. Take Mr. XX [another Bamboo United leader] for example. To become a mediator, he had to build his reputation gradually over the past years. In the process, he had to work very hard and to take the risk of being hurt or killed.

If a *heidao* figure is not careful, he could lose his life by intervening in other people's business. As a result, a person needs to know exactly what he is doing when he decides to mediate. A Bamboo United leader explained:

In order to have a settlement, the prerequisite is that the two parties have the will to settle. If one party is reluctant, we won't get involved. After all, if there's no settlement, the pie is rotten and nobody can eat it. That's why when there is conflict, the best policy for all parties involved is to settle. This way, all three parties will have some share of the pie. The main reason for violence is because one of the three wants to eat the pie alone. In fact, for us to settle a conflict, we don't get much out of it.

A *jiaotou* explained to me how *heidao* people normally handle the invitation to mediate:

When we are invited to settle a dispute, we normally demand monetary rewards. The only exception is when the person we are helping is a close friend of ours. Regardless, when we intervene, we always make sure that the settle-

ment is just and fair to all parties involved. It's not like you pay us to settle a dispute, and we will stand by you no matter how unreasonable you are.

Some *heidao* figures are known to be extremely good at mediating disputes mainly because they do not ask the parties involved for any rewards. An influential *heidao* figure told me: "I am often involved in mediating conflicts. I will make sure the solution is fair to all parties involved. Because I never do this for money, people will accept my arbitration." Another subject, one of the top leaders of the Bamboo United, explained why he had been often asked to mediate and under what circumstances arbitration could result in violence:

The reason why I can mediate conflicts among brothers from central and southern Taiwan is because I don't have anything to gain from these conflicts. I do not get involved in bid rigging or local politics. Generally speaking, if a mediation goes awry, it's because the mediator got greedy; he took away the benefits of the other party while protecting the party he represents. The other party, of course, will react. Besides, a mediator has got to have high social status and a good reputation. At any rate, when there are election-related conflicts in the local political arena, someone, a person with power and influence, is needed to calm down the two parties. Otherwise, like the war between Iran and Iraq, both sides are going to pay a heavy price.

Even a non-*heidao* legislator acknowledges that *heidao* people are very good at settling disputes. According to him: "*Heidao* leaders are very good managers and arbitrators. They know how to manage their little brothers and know how to settle disputes in their communities."

In sum, many people in Taiwan are willing to be affiliated with *heidao* figures because they need the latter's help in settling disputes, be they economic, political, or any other type of conflicts. A senior *China Times Weekly* journalist has written:

While their little brothers go to work in restaurants and nightclubs, the big brothers often rely on *tan shi qing* (discussing matters) to survive. Discussing matters means helping people to settle their disputes. Big brothers are like members of the village and town mediation committee; they work hard to find a reasonable solution that will satisfy all parties. Even though they work for a reward, they don't see anything wrong with that because their involvement in settling disputes makes our society more harmonious. Everybody's a winner after a dispute is solved. (Liu Yi-hung 1995: 23)

Negotiation and authoritative settlement of social/cultural, financial, or political conflicts is one of the main functions of the Taiwanese underworld. Not only wealthy businessmen and influential politicians seek help from *heidao* figures when they have disputes, many ordinary citizens also eagerly look for *heidao* intervention when they have conflicts with others. As a result, it is not uncommon to find a variety of people with diverse backgrounds, that is, politicians,

businessmen, police officers, intelligence officials, and *heidao* figures, to be involved whenever there is a dispute that needs to be settled.

Violence

In the mid-1990s, many *heidao* figures in Taiwan were killed (Chang Jie 1996). Some of the murders were meticulously planned by the killers and some of the victims were slaughtered simply because they were at the wrong place at the wrong time. Regardless of why they were murdered, there is no doubt that being a *heidao* figure in Taiwan means there is a high probability that the person could end up being killed at any time and place (Lin Chao-hsin 1994c; 1995a).¹

Gang violence in Taiwan can be described in terms of internal and external categories. Internal killings can be further categorized into three types: (a) a little brother killing a big brother from the same *jiaotou* group or gang; (b) an emerging leader getting rid of an original leader who had passed his prime but was reluctant to give up his post; and (c) two groups of the same gang going after one another for money or turf.

The first type of intragang violence occurred not long after Operation Cleansweep was launched. According to *heidao* subjects I interviewed, the massive number of arrests of big brothers during Operation Cleansweep in 1984 resulted in the dismantling of the so-called “*jianghu* ethics” (ethics of the Chinese underworld). The ethics demanded that little brothers always show their utmost respect for their big brothers. Before the 1984 crackdown, a little brother killing his big brother was almost inconceivable. However, when gang and *jiaotou* leaders returned home from their three years incarceration, they discovered that many of their little brothers had changed. When a big brother denied a little brother’s request for money or refused to allow a certain illegal activity, it could lead to his demise, as evidenced by the slayings of three Fang Ming Kuan leaders in 1988 by the group’s little brothers within a few months (Ker Su-len 1988c). A well-known *jiaotou* figure in Chungli City (of Taoyuan County) was kidnapped and murdered by his followers because they wanted to extort money from their leader’s family. Not only was the victim murdered but also his body was buried under a pile of concrete. The murder shocked the Taiwan underworld, mainly because it was committed by a group of followers against their own leader, and the killing was well planned and brutal (Ker Su-len 1988b).

Intragang violence could also occur if there were two competing layers of leadership in a crime group. For example, after Operation Cleansweep, when little brothers had become the new leaders of their respective groups, the original leaders released from prison wanted to resume control of their groups. If the new leaders refused to step down, then fatal clashes between the two groups of leaders could erupt.

The third type of intragang violence occurs whenever two groups from the same gang are trying to protect the same business firm that is located within the

gang's territory. For example, after a well-established karaoke club in the commercial district of Taipei became a target of two groups of the Bamboo United, a major clash erupted between the two factions.

External violence occurs mainly because of disputes in three areas: (a) debt collection, (b) territory, and (c) business. It is common for *heidao* figures to use violence when they are collecting debts for underground bankers or collecting their own gambling debts. Occasionally, two gangs or *jiaotou* groups get into serious conflict when they are fighting for a particular turf. Most recent inter-gang clashes are likely to be the result of failed attempts at settling business disputes. For example, Taiwan authorities assumed that Chen Yung-ho of the Four Seas was gunned down by professional killers because of a NT\$1 billion business dispute. He was unable to settle a deal with Jia Shi-wei, the leader of the Pine Union, and when Chia was killed in Xiamen, many people thought that Chen was involved. As a result, Chen was killed later by Chia's people (Chang Jie 1996).

There is no doubt that the Taiwanese underworld is an extremely violent world. Over the past three decades, a large number of *heidao* figures have been brutally murdered by their rivals. Many entertainers and politicians were also physically assaulted or killed after they upset certain *heidao* figures. However, unlike the mafia in Sicily as depicted by Stille (1995) and Chinatown gangs as described by Chin (1996), gang and *jiaotou* figures in Taiwan rarely go after prosecutors, law enforcement officials, and government witnesses, even though the underworld in Taiwan has been subjected to several major crackdowns, and due process is often ignored by the authorities. When underworld figures are pushed to the wall by the authorities, their tendency is to go into hiding rather than to strike back.

Conclusion

Heidao figures in Taiwan make money through a variety of illegal activities. Because big brothers are obliged to support their followers financially, they are always under pressure to make money and to be generous with their little brothers. As a result, *heidao* leaders are often involved in extortion, running gambling joints, operating commercial sex establishments, collecting debts for underground money lenders, and settling business disputes. But no matter what type of money-generating activity they pursue, in order to conduct their "businesses" efficiently, there is always a need for them to deliver a credible threat. If the other party refuses to take the threat seriously, they have no choice but to act on it promptly.

There is no doubt that some key *heidao* figures in Taiwan have transformed themselves into chairmen of well-established firms, or they have become political figures and have given up their involvement in the "traditional" organized crime activities described above. However, there are also hundreds of mid-level *heidao* figures who still rely on extortion, gambling, commercial sex, and debt collection to support themselves and their followers.

Part II

The Transformation

4

From Big Brother to Entrepreneur

One of the main purposes of this study is to explore how and why crime groups in Taiwan have moved into legitimate commercial businesses. *Jiaotou* and gang leaders are reported to be owners of restaurants, coffee shops, nightclubs, movie companies, cable television companies, magazine publishers, and construction companies (Chi Chung-shien 1985). Some of them are actively involved in futures trading, the stock market, and other commercial activities (Ta Tou Chen 1986). Since the mid-1980s, it has been alleged that these crime groups have become active in collusive bidding for government projects and other sophisticated crimes (Lin Ching-lung 1998). This chapter examines the changing patterns of organized crime involvement in commercial activities in Taiwan.

The Judicial Yuan of Taiwan (1998: 115) suggested that the involvement of *heidao* in business is a serious problem:

Hoodlums and gangsters have become more active in establishing business firms that conceal their illegal activities, and they have expanded their operations from extortion and operating gambling and prostitution houses to goods and drug smuggling, loan sharking, construction, and bid rigging.

According to Tung Shi-jie (1996), by 1996, about 106 of the more than 360 major firms or almost one-third of the major firms in the country were infiltrated by corrupt politicians and *heidao* figures. Tung Shi-jie (1996: 74) estimated that:

If we calculate the impact from the overall capital of the penetrated firms, then the amount of capital is as high as NT\$610 billion, about 38 percent of the total capital of all well-established firms. And if we look at the market value of the penetrated firms, then it involves about NT\$2,970 billion, more than half of the market value of all the major firms.

There are several explanations and reasons for *heidao* penetration into the legitimate business community. According to a Bamboo United leader, the involvement of *heidao* was made possible by legitimate businessmen and politicians who were eager to use the “services” of *heidao* figures: “When the Taiwan economy began to take off, a close tie developed between government officials

and businessmen. Soon after, when there were business conflicts, brothers were invited to settle the disputes. Gradually, brothers entered the business world.”

On the other hand, brothers were also willing participants in the business sector. As gang and *jiaotou* leaders matured and married and had families, they became more interested in making a living rather than just maintaining their tough reputations. As a Bamboo United leader said:

There are pathways and turning points among brothers as well. When we were young, we were mainly concerned with our macho image and tried to show that we were fair and just. That's why we were often involved in fighting. After we grew up and married, we were more concerned with making a living. That's why we constantly look for business opportunities.

Some observers assume that the penetration of *heidao* into the legitimate business world was first caused by Operation Cleansweep in 1984:

Operation Cleansweep destroyed the major gangs' leadership structure; moreover, it forced many gang leaders to change their ways of survival, that is, to penetrate the legitimate business sector. As a result, the larger gangs gave up their traditional way of making money, which was extortion. Nowadays, these gangs are more interested in establishing their own business firms and staffing their firms with their own little brothers. (Jin Shi 1989: 31)

According to a *jiaotou*, “Most *heidao* leaders are now smart enough to have their own companies to protect them from being sent to prisons; they use their businesses as fronts for their illegal operations” (Ta Tou Chen 1986: 302). This chapter will explore some of the legitimate businesses in Taiwan that are mostly likely to be affiliated with, or be penetrated by, *jiaotou* and gang leaders.

Restaurants and Bars

In the early 1980s, even before Operation Cleansweep was launched, a substantial number of restaurants and bars in Taiwan were owned and operated by gang and *jiaotou* members (Lin Cheng-tian 1982). During Operation Cleansweep, law enforcement authorities raided restaurants, bars, and barber-shops that belonged to Bamboo United members. The police found that these establishments were gathering places for the gang's various branches. Chen Yung-ho, a leader of the Four Seas, was gunned down inside his restaurant located in Taipei City.

The Ming Sun Club, a gathering place for gangsters, businessmen, and former police officers, was another Bamboo United investment. The president of the club, Chu Kuo-liang, was a former intelligence staff officer and senior police officer. Chu had connections with triad members in Hong Kong and was alleged to have been involved in extortion rackets while serving as a police officer. The Ming Sun Club was a joint venture of Chu and Chen Chi-li (the highest leader of

the Bamboo United), and it was the gang's favorite spot. Businessmen were "invited" to join the club for a fee of NT\$1 million per person (Chi Chung-shien 1985). The club was shut down in the crackdown of 1984, and Chu was arrested and incarcerated.

Large numbers of underground bars exist in Taiwan because of the government's policy of discouraging the establishment of bars through an unreasonably high license tax. In 1973, the annual tax for bars increased five-fold, from NT\$300,000 to NT\$1.5 million. In 1979, the annual tax for bars increased another three-fold to NT\$4.5 million. The policy of "denial through heavy tax" also stipulated that the bars could not move to another location, could not be sold to another person, and that ownership could only be transferred to other family members. Government employees were not allowed to go to bars, but they would go to underground bars because they could always say they did not know it was a bar, or that they thought it was a restaurant. Many gang members who used to work as bouncers in the underground bars moved up to become shareholders or even owners (Chen Ji-fang 1983b).

The involvement of *heidao* figures in restaurants and bars later enabled them to expand their operations to show business. According to a police officer:

Later on, the gangs began to expand their activities into managing shows for well-established western-style restaurants. They were responsible for arranging to have famous singers to perform in these restaurants. The singers had to accept the arrangements, but often entertainers were not paid. That way, the gangs were able to make a lot of money. With the kind of money they have, they decided to buy out some of the original shareholders and, eventually, they became the owners of these restaurants, or, at the very least, major shareholders.

From restaurant entertainment, the gangs turned to other businesses such as bid rigging and the stock market, which will be discussed later in this chapter.

The Music and Movie Industries

Show business in Taiwan is tightly managed by organized gangs and *jiaotou* groups. The control was particularly intense during the 1980s when celebrity performances in well-established clubs and theaters were popular. During that time, famous singers, actors, and actresses were often invited by owners of music halls and western-style restaurants to perform special shows. Since popular entertainers were usually committed to several television shows and movie projects simultaneously, owners of music halls and restaurants had great difficulty in arranging for popular entertainers to perform in their establishments. Because an entertainer's special live show was a guaranteed financial success, gang and *jiaotou* figures gradually moved into the show business. Crime bosses transformed themselves into show-business agents because that's where the money was.

If a crime figure owns a restaurant or music hall, he will arrange for the entertainer to perform in his establishment; or he can arrange to rent a restaurant for several days. Once approached, entertainers rarely turn down such invitations. The entertainers are paid a lump-sum amount for their appearance, while the crime bosses sponsoring the show pocket all the revenue. More often than not, entertainers are also being extorted by local criminals whenever they perform in shows not sponsored by a crime group.

Contract disputes between entertainers and *heidao* figures are not uncommon. A few famous entertainers were assaulted by gangsters because they may have refused to sign a show contract or did not appear as scheduled. Those who were physically assaulted include Pai Ping-ping (show business), Shan Kuan Ming-li (actress), Chu Chen (singer), Hung Lung-hung (actor), Hsui Pu-liao (actor), Ju Kor-liang (television star), Kao Ling-fung (singer), and Hu Ying-mong (actress), all considered to be among the top entertainers in Taiwan (Chen Nien 1983).

According to a media report, a famous singer was paid only about one-third of what he expected to receive from show organizers:

Yang Fang, after he became a big star, was paid NT\$28,000 per show. However, he only pocketed NT\$8,000. Where did the NT\$20,000 go? An agent company collected NT\$10,000 per show as commission, and because the company was not "powerful" enough [to shield Yang from the *heidao*], the company had to rely on another *heidao* company to function [as a protector] and that company also had to be paid NT\$10,000 per show. (*China Times* 1983: 3)

Despite these salary manipulations, show business needs *heidao* figures to survive. An experienced show business producer pointed out: "The key to show business is the selling of advance tickets. And it is mainly done by *heidao* members." Because many businesses have to have good relations with the public, when brothers show up to sell advance tickets, the business owners are unlikely to refuse and they cooperate. They buy tickets by the hundreds and consider the outlay to be "public relations expenses" (Teng Chi-er et al. 1992: 27).

Infiltration by organized crime into the movie industry is even worse. At the trial of Henry Liu's murderer, it was revealed that the accused and witnesses were all, in one way or the other, involved in the movie industry. Chen Chi-li, the top leader of the Bamboo United, was a co-owner of a music producing company; Wu Tun, the enforcer of the Bamboo United, was a producer of a major film production company; and Swei Yi-fung, the adviser of the Bamboo United, was owner of a film company (*International Daily News* 1985). Two of the witnesses were a director and an assistant director.

In the 1970s, movie producers in Taiwan were often victims of extortion, and consequently, they recruited gangsters as partners and hired their little brothers as extras and protectors. Some big-name movie stars also associated with gang-

sters for protection (Mo Shi 1979). The penetration of *heidao* into the movie industry began in 1967 when Wang Yi, a Hong Kong actor, came to Taiwan to play the lead role in a martial arts movie. In order to avoid extortion from local crime groups, the actor hired some local thugs for protection and also used them as extras in the film. Soon, the producer and his associates realized that the criminals were helpful in a number of ways. For instance, they were very effective in negotiating with studio owners and in ensuring that other performers would show up on time for work. Today, most film producing companies are now somehow connected to criminal organizations for the sake of running their businesses efficiently. The Hong Kong actor later became a close associate of the Bamboo United, and when he was stabbed inside a restaurant in Taipei in 1981, allegedly by members of the Four Seas, an all-out war almost broke out between the two gangs (Lin Cheng-tian 1981).

By working as peripheral staff for movie companies, gang members obtained first-hand knowledge about the industry. Eventually, some of them established their own companies and became producers, with all personnel, from top to bottom, recruited from members of criminal organizations. According to a news report, criminals involved in the film world relied upon their underworld connections to exploit others in the industry:

Since investment in the movie industry can produce high profits, many gangsters are now flocking into this profession. Companies owned by crime bosses have no problem signing contracts with popular directors and performers. Not only do directors and performers dare not reject a contract, they also have to accept whatever deal the company offers them. In the past, when a film company went out to shoot outdoor scenes, the company was extorted by *jiaotou* groups for permission to work on the latter's turf. Over the years, many film companies hired criminal elements to participate in film-making; these criminals not only played the role of the producer, but also took on the responsibility for settling disputes, signing contracts with performers, and negotiating deals with directors and performers. At the moment, it is hard to imagine how a film company could produce a movie without the help of staff members who are also members of a crime group. (*World Journal* 1985a: 5)

One of the major figures in the Taiwan movie industry is Yang Teng-kwei. Yang, a former gang member from Kaohsiung who is alleged to be the "adviser" of the Celestial Alliance, was arrested during Operation Cleansweep and Operation Thunderbolt for his affiliation with the Kaohsiung-based Northwest *jiaotou* group. Yang had become a big brother in the early 1960s after he killed a gang boss in Kaohsiung. He was active in the music business when it was at its peak in the late 1970s and early 1980s. His gang background helped him to make sure his shows would not be disturbed by *heidao* figures and also that performers who worked for him would not be harassed. Yang was arrested in the 1984 Operation Cleansweep as a hooligan; after his release in 1987, Yang began to move into the movie industry. Some of the movies he produced received international recogni-

tion, including *City of Sadness*, which earned the best foreign picture at the 1989 Venice Film Festival (*China Times Weekly* 1990).

Yang was again arrested in the 1989 Operation Thunderbolt on the same charge (i.e., for being a hooligan). He served about two years in prison. Immediately upon his release in 1992, Yang signed a HK\$30 million (approximately US\$3.9 million) contract with Lee Lian-er, a famous Hong Kong movie star, to appear in three movies (Ker Su-len et al. 1992).

Yang Teng-kwei has unrivaled influence in the movie industry. He is not only well connected to almost all the successful entertainers in Taiwan and Hong Kong, but he is also believed to control 20 percent of the market share of the NT\$30 billion cable industry in Taiwan (Ching Mu-len 1996). *Heidao* involvement in the Taiwan cable industry is an open secret (Chou Kuan-yin 1996b), and some observers believe that Four Seas leader Chen Yung-ho was killed not because of his conflict with the Pine Union gang, but because he was implicated in a cable television business fallout (Lin Chao-hsin 1996a).

The cable industry in Taiwan was essentially established by *heidao* figures; not until 1991 was it legitimized by authorities by issuing licenses. Before then, even though there was strong demand for cable service, only gang and *jiaotou* figures were daring enough to get involved in this illegal business. When it was legitimized in 1991, companies interested in investing in the cable industry could do so only with the help of businessmen with *heidao* connections: Only they could handle the tough *heidao* characters who were owners of small cable firms. Yang Teng-kwei became the main person who many legitimate business firms looked to for help because of his show business experience and his ability to deal with gang and *jiaotou* leaders (Ching Mu-len 1996).

In 1996, Yang was targeted again during Operation Chih-ping. He fled Taiwan this time. The authorities charged that Yang was trying to transform the Republic of China into the Republic of Casino with an ambitious plan that would enable a large numbers of people to gamble through Yang's cable channel (Chou Kuan-yin 1996a). During his absence, some of the country's popular entertainers repeatedly—and publicly—expressed their support for him. Pai Ping-ping, herself a victim of a heinous crime a few years earlier, claimed that Yang had been victimized by overzealous law enforcement authorities who were prejudiced against him and his associates. She said: "Other people's chauffeurs are called drivers, but Yang Teng-kwei's driver is called a 'bodyguard.' This is unfair!" (Huang Chuan-sha 1996: 23). Wu Nien-jen, a highly successful movie director in Taiwan, also echoed Pai's claim when he said: "At least he [Yang] never lied to me" (Hsieh Jin-rung 1996: 24).

Yang returned to Taiwan just before the 2000 presidential election was to be held. It was widely reported in the media that he was allowed to return because of his promise that he would campaign for one of the presidential candidates. Although he was a fugitive, several politicians were at the airport to greet him. As expected, Yang was released on bail not long after he surrendered to Taiwan

authorities. Only later was he accused of running an electronic gambling operation via his cable television channel.

Gravel Plants and Waste Disposal

Because of the strong demand for both commercial and residential real estate properties in the late 1980s and early 1990s, the construction industry was one of the most lucrative, legitimate businesses in Taiwan over the past two decades. Even though record numbers of commercial and residential apartment buildings were built in a frenzy all over the island, the strong market kept real estate values in Taiwan extremely high.

The construction boom naturally led to an ongoing demand for all kinds of construction materials. One of the scarcest materials was gravel, considered to be indispensable for most construction projects. However, due to government regulations, many areas in Taiwan were not permitted to excavate gravel. As a result, *heidao* people, along with elected deputies, government officials, and businessmen formed agreements to exploit government regulations.

The construction industry also has the ever-present problem of waste disposal. Many contractors were unwilling to dispose of their construction waste legally because of the high cost. Consequently, *heidao* became involved in the waste disposal industry as well. A businessman involved in waste disposal described the situation clearly:

You can say that the waste disposal industry in Taiwan is penetrated by *heidao*. Over the past few years, seven waste disposal company owners, or their offices, were shot at by gangsters who were trying to scare the legitimate businessmen out of the industry. The reason why we have organized crime in Taiwan, and the reason why they have developed to this extent, is because *baidao* people allow them to exist. If *baidao* people really wanted to get rid of gangsters, they could.

Another owner of a waste disposal company said that every time there is bidding on a waste disposal project, *heidao* gets involved. He once received a package with five bullets in it and a note warning him not to bid for projects where he did not belong (Ker Su-len 1992b).

Some *heidao* figures are involved in both the illegal operation of gravel plants and the illegal disposal of commercial waste. After gravel is dug up, leaving huge pits in the ground, the *heidao* will simply fill these holes with commercial waste. According to Taoyuan councilman Chang Yung-hwei, this two-step process—unearthing the gravel and filling the holes with waste—involves criminal collusion between landowners, *heidao* figures, elected representatives, and government officials. Environmental Protection Bureau chief Tsai Shwin-hsiung said it is difficult to stop people from illegally removing gravel because most of these people are *heidao* figures, feared by local officials who, in any case, prefer to share in mutual benefits offered by criminal elements (Tung Ching-fung 1999).

Bid Rigging

Of all the rapacious activities of the *heidao* people, bid rigging is what concerns Taiwan authorities and citizens the most. In Taiwan, bid rigging, along with vote buying, election violence, mafia politicians, and official corruption are the five major areas of “black-gold politics,” and bid rigging is the catalyst for the other four. Because bid rigging is such a lucrative enterprise in a society where the government is pouring trillions of dollars into small and large public projects, it is believed that this very opportunity is a driving force behind the interest in public office, achievable through vote buying, or violence, or both. It is through bid rigging that *heidao* figures, businessmen, elected deputies, and government officials cooperate with one another so that all parties involved receive a share of some illicit deal that milks the public budget.

According to a classified report by the Ministry of Justice Intelligence Bureau (MJIB), in 1989, about 28 percent of the national representatives were involved in the bidding procedure on construction projects. By 1993, the percentage had increased to 68.3 percent (Chen Tung-lung 1994).

The following editorial appeared in the *Journalist*:

Nowadays, *heidao* people often identify themselves as chairman or general manager [of business firms] and establish close ties with politicians through bid rigging. In this mutually beneficial relationship, the politicians use *heidao* figures to back up their demands, and the latter use politicians to protect them from the police. This type of relationship leads to the intermingling between *heidao* and *baidao* people. (Shi Ma Wen-wu 1994: 9)

Historical Context

Criminal penetration into the construction industry is a recent phenomenon. Over the past ten years, the booming construction industry has attracted many businesspeople, experienced and inexperienced. Many contractors became affiliated with *heidao* in order to help them settle business disputes and to protect them from local gangs at the construction sites. A contractor made clear that:

There is a close relationship between the construction industry and *heidao*. My company used to have a criminal fugitive working for us as our “protector.” We were making plenty of money; so we didn’t mind paying him a small amount of money for protecting us.

A high-ranking police officer explained how *heidao* people began to get involved in bid rigging:

It all started like this: In the past, a local politician would hire *heidao* figures to help him win bids. After he won the bid, he’d pay off the *heidao* people. Later, another politician would try the same thing. Then the politicians and the two

groups of *heidao* would end up fighting over the same project. Later, the *heidao* decided to get involved in bid rigging themselves by becoming contractors. Eventually, when the *heidao* became politicians, they actually played all three roles: *heidao*, contractor, and politician, and they controlled all of the profit.

Usually, if there is a construction opportunity open to the public, criminal groups will involve themselves in the bidding conference. During or before the bidding conference, mobsters may threaten other contractors to submit perfunctory bids. In other cases, construction companies may hire gangsters to accompany their representatives during the bidding process. This situation has a parallel in the construction industry in the United States (Kelly 1999) and Italy (della Porta and Vannucci 1999) where a similar problem with organized crime exists.

A former minister of justice viewed the process of gang involvement in bid rigging this way:

I heard that gangsters are involved in bid rigging. How do they do it? Well, in Taiwan, all public projects such as highways and schools must be open to bids. The problem is that the bidders do not want to get involved in a bidding war—the lowest bidder would not make any money. As a result, before the bidding, the potential bidders get together and decide who should get the bid; the person who wins the project then gives a share of the bid award to the others. Sometimes, a contractor will deliberately offer a low bid. How is the problem solved? Well, the businessman who is underbid asks the other bidders, as well as the *heidao*, for “help.” In other words, violence is threatened. Usually, whenever there is a public project, all potential bidders will invite a respected crime boss to come to the meeting called *hung men yan* to make sure that all parties will abide by whatever agreement is reached.

As a result, the process forces the government to come up with a very high price. For example, when I was the minister of justice, in one project, the estimated price was NT\$5.4 billion, but when I made sure there was no gang involvement, someone offered a bid of only NT\$2.7 billion. The government saved NT\$2.7 billion. What I did was to shorten the time period between the qualifying bid and the actual price bid, from a couple of months to a couple of weeks. That way, the mobsters did not have time to identify all the participants and then pressure them to cooperate. However, after the bidding for the exterior construction was over, there was more bidding for the interior work, and in that case the gang members found out who the prospective contractors were and warned them to stay away from the project.

Patterns of Heidao Penetration

The following are some of the key problems associated with bidding for public construction projects in Taiwan (Yu Fei 1983):

1. *Chau yuan je tang* (one type of collusive bidding): The company that has won the bid will pay the other cooperating bidders a share of the contract award. According to a contractor in Taipei:

In Taiwan, there is a long tradition of collusive bidding, and in the past, it was just considered a normal part of the whole process. For example, if there was an estimated NT\$1 million project and ten firms that wanted the job, a meeting of the potential contractors would be arranged and a decision made on who would get the project. Let's assume the winning bid was NT\$900,000, and the actual cost of the project was NT\$800,000. That means the winning contractor would give each of the other firms NT\$10,000 each. But in recent years, with the huge growth of the construction industry, there have been more and more bidding-related disputes. Nowadays, the companies have no choice but to seek help from *heidao* to settle disputes.

2. *Wei biao* (another type of collusive bidding): One company along with its many branches or divisions will offer bids together, but they make sure that only a designated unit will win the bid. *Wei biao* is not limited to gangster-run companies; some prominent, supposedly uncorrupt businesses do the same thing.

3. *Jiao ju* (disturbing the situation): A crime group will succeed in the bidding process, but after it has won the contract, it will not show up to give the guarantee money (*baozheng jin*) to the authorities. Then the process has to start all over again. A company that really wants the project will have to pay some extortion money to the crime group so that they will not disturb the bidding.

4. *Jie pai* (borrowing a certificate): A B-type (smaller) company could not bid on a project if the project limits the bidders to A-type (bigger) construction companies. Some crime groups—for a price—will lend their construction permits to a B-type company in order to help the company win the bid.¹ According to a source in the construction industry, once gangsters appear in a bidding process, there is enormous pressure for others to accommodate them:

After the Four Seas and Bamboo United began to get involved in public works projects, they did not force us to let them win the bids by pointing a gun at us. It's just that there was a lot of pressure on us to allow them to have the projects. Also, it didn't hurt that after these gangs won the projects, they would pay us accordingly for giving up on them.

5. *Qiang biao* (robbing the bid): Trying to win the bid by coming up with an incredibly low bid. This could lead to very poor quality construction because the contractor would have to cut corners in order to make money.

No matter how *heidao* figures got involved in bid rigging, most believe that it all began with corrupt government officials who were in a position to determine who would win the bid. According to a media report (O. Lin 1999), at the very beginning, bid rigging is already seeded in the form of designs tailored to the specification of contractors favored by the officials in charge. No other bidders will be able to compete, as they are already disqualified by being unable to meet the requirements specified in the designs.

The Authorities' Perspective

A prosecutor in Taipei revealed what he knew about gang involvement in the construction industry and bid rigging:

Since the early 1990s, we began to investigate Chen Chi-li [the leader of the Bamboo United]. After Chen came out of prison in 1990, he became very rich very fast. He was the first gang leader to get involved in public construction. Because of his connections, he was able to obtain quite a large number of public construction projects, and that's how he made the money. That's when other gang leaders realized that they did not have to rely simply on prostitution, extortion, and gambling to make money. During that time, the government had a huge budget for public construction. All of a sudden gangsters became board chairmen and general managers, and all began to get involved in public construction projects. But Chen was smart; he knew how to make money in a quiet way, and he did not do anything crazy to attract the attention of the authorities. Other gang leaders were not as good as Chen, and that's why there were so many violent incidents that became matters of public concern—people were starting to get worried.

Why did mobsters get involved in public construction even though they already had plenty of money? First, probably no one ever believes that he or she has enough money. Besides, gangsters (like capitalists everywhere) need money to expand their businesses. They need money to buy the best and most powerful weapons; they need money to maintain their social connections and support their little brothers. They were also very confident that they would not be targeted by law enforcement authorities because the business sector was completely silent when these gangsters began to get involved in public projects. The gang leaders knew that business owners were not crazy enough to report their involvement to the authorities. When I tried to get a number of businessmen to tell me about their victimization, they were extremely reluctant. I had to spend a lot of time trying to convince them that they would be protected.

Businesspeople in Taiwan are extremely reluctant to upset *heidao* figures. When the businessmen are victimized, they would rather lose money, not their lives. They rationalize that they can always make the money back in other business activities. They are also scared because they don't believe that the authorities can protect them. *Heidao*-fearing businessmen think "within three to five years, the gangsters are going to get out of prison, then what do I do?"

The Heidao Perspective

Heidao figures involved in bid rigging see their participation in the construction industry differently from the Taiwan authorities. First of all, they believe that their involvement in the bidding process ensures that there will not be an all-out bidding war for a particular project. These *heidao* figures make sure that whoever wins the bid will end up with a reasonable budget. This, they believe, in turn assures the high quality of the end product because the contractor would not have to cut corners to make a profit. A Four Seas leader indicated that his role in

the construction industry was to keep order. He claimed that without the *heidao* involvement, the fierce competition and ruthless maneuverings of competing construction firms would eventually destroy the industry in that the quality of the materials, workmen, engineering plans, and so on would all suffer. The *heidao* solved the problem of chaotic competition by creating informal “cartels” for construction firms to handle public projects and the bidding process.²

The Four Seas leader went on to explain what it takes to be a good arbitrator when it comes to bid rigging:

You’ve got to be reputable, trustful, and powerful to be involved in bid rigging. Among gangsters, we are very careful not to block one another’s opportunity. When I am ready to get involved in something, leaders of the Bamboo United and Celestial Alliance will retreat once they find out. I do the same for them. Even so, bid rigging can sometimes lead to serious conflicts. Some brothers, after many years of playing the mediator role in bid rigging, then try to get involved in the construction business themselves. They borrow a construction license and try to carry out a project. But I wouldn’t do that. Doing so would mean that I am a referee and a player. Nobody would trust me if I tried to be both.

Other *heidao* figures see their success in the construction industry as simply the result of their hard work, business acumen, and good personality, not because they are mobsters. Chen Chi-li explained how he was able to build up his business empire after he was released from prison in 1990 after serving six years for the murder of Henry Liu:

Initially, Chuan An Construction was a company that was about to go bankrupt. After I bought the company, I turned it around completely, and at one point the company was listed as one of the fifteen largest construction companies in Taiwan. At Chuan An, I developed a group of core, professional workers and a large, supporting staff. I always paid close attention to my employees’ performance and their feelings about their work. That’s why I often investigated my employees’ job satisfaction. If a person quits, I would dispatch someone to go find out why he or she quit. I never ever cared about fame and fortune for myself; all I cared about was my employees’ benefits. My employees were all looking up to me for leadership, and they all worked very hard for me.

Chen also described in detail how bid rigging is made possible by an intricate relationship among government officials, businessmen, and big brothers and the politics of bid rigging:

The relationship among government officials, businessmen, and *heidao* figures is mutually beneficial. A construction project needs a construction design company to lay out the plan. A project may need hundreds, or even thousands, of items. All the firms that produce a particular item want to participate in the project. As a result, these firms will try to bribe the design engineer, the mayor, and all the people who are involved in the project. Ultimately, the design com-

pany will suggest at least three firms for each and every item needed for the project. That's the rule.

The design engineer then asks the mayor which company should be responsible for which item. The mayor then selects a company that he favors (and may even have a connection to). Even if the mayor won't do this, his subordinates will. Under typical circumstances, the mayor would not give up this type of moneymaking opportunity because this is the time for him to accumulate capital to support his next election campaign.

Moreover, the selected firms would then need to bribe the accounting and budgeting division of the administration. If the mayor and the division are taken care of, then each one will reduce the working budget by about 5 percent to show that they are doing their jobs. If there are no bribes, then the budget might be cut drastically; worse, the mayor could kill the project.

After the mayor and the division, there is a need to take care of the city council. The mayor will use the city council's KMT alliance to help pass the budget for the project. Often, the KMT wants to pass the budget, and the DPP will oppose it. The DPP may walk out of the meeting in protest, and the KMT will grasp the opportunity and pass the project. In fact, this is how they work together; the DPP's walk out is designed to let the KMT pass the project. Otherwise, the councilmen will just take a little cut of the budget for the project just to show the public that they are performing their tasks.

Chen continued:

This kind of economic collusion links many businessmen, government officials, and elected representatives together. Every company wants to do business and that's why there are so many companies who hope to "kidnap" (*bang biao*) (or "wrap up" or "withhold") a construction project at the very beginning. Bribery is the most efficient and the only way to "kidnap" a project. Sometimes, the amount of bribery to the accounting and budgeting division could be as high as NT\$30 million. Besides, the mayor has to be bribed, but whether the firm that bribes is the winner of the project is another story. If you want to make it in the construction industry, in any case, you have to have guts. It's not for someone with small eyes and a small nose. Sometimes, you throw in NT\$80 million, and you don't get anything back. Sometimes, the mayor has already decided to give the project to someone else, but he won't tell you until the bidding is over. Then he'll calm you down by saying: "Well, I will let you have the next project."

Sometimes, a councilor will ask the mayor to help out a particular firm, but the mayor refuses to cooperate. Then the councilor will seek revenge by trying to cut the budget. The average citizen sees this and thinks, "Well, this councilman is a good one; he's trying to help the government save money!"

That's why this whole thing is not as ChangAn-lo [another influential Bamboo United leader] said, a piece of rotten meat, but a symbiosis. Bid rigging has existed for centuries and not only in Taiwan. Brothers have nothing to do with project kidnapping; they are involved only at the very last stage, and they make only a small amount of money.

When asked how serious the problem of bid rigging is, the then-President Lee Teng-hui (KMT) said: "I know more than anybody else about organized crime

involvement in bid rigging” (Hwang Kwang-kuo 1997: 164). Nevertheless, some observers suggest that bid rigging in Taiwan is a serious problem mainly because the KMT allows it to exist. A senior journalist said:

Bid rigging is a major problem because the KMT lets it happen. The KMT continues to insist that any firm that wants to bid on a construction project needs to register when it comes in to pick up an application form. These application forms are not allowed to be copied. With the list of potential bidders, it is very easy for the government to become involved in collusive bidding. If the KMT used the method of Chen Tang-san [the DPP mayor] in Tainan, then there would be no bid rigging. Chen orders his administration to place a stack of application forms in various government units and allows people to pick up the forms without registration. Besides, these forms can be copied, and a firm can use the copy to participate in the bidding. If nobody knows who is going to bid on the project, there is no way anybody can control the bidding process.

Harm Done by Heidao

Most people in Taiwan assume that *heidao* figures are making huge amounts of money from bid rigging, but there is no reliable data to suggest that gangsters are taking in more money than anyone else in this corrupt process. Thus, we need to take a closer look at the level of harm done by *heidao* involvement in bid rigging.

Nonmonetary

Even though gangster involvement in the construction industry is considered to be a serious problem by the media and the public, a contractor said that he is more concerned with extortion by government officials:

Heidao do not have an impact on private projects, only on public projects. Private contractors only have to give *heidao* people some money or gifts during the festivals. In fact, for private contractors, this type of expense is far less than the payment to government officials. Regulations in the construction industry are poor or unclear. As a result, it is up to the bureaucrats to decide what is acceptable or not, and they can ask money from us at will, sometimes in the millions, and this type of extortion bothers us more than anything else. It's the government officials who make it difficult to operate, not *heidao* people.

Besides, a Bamboo United leader revealed that gang members are actually making very little from bid rigging:

Brothers who participate in bid rigging make only a small amount of money. The big money goes to *baidao* people [government officials]. However, if there is something wrong in the process, brothers become scapegoats. At any rate, when there is a problem in bid rigging, those who do not get the bid accuse us [rather than the *baidao* people] of wrongdoing.

Chang An-lo, a leader of the Bamboo United, described his impressions of *heidao* involvement in bid rigging:

If you say *heidao* people are not involved in bid rigging, that's a lie. But, in essence, the level of involvement and the role of the *heidao* in the whole process are definitely not as vital as people believe. *Heidao* figures are merely invited to play a peripheral role in the fierce competition among the *baidao* in their attempts to kidnap the bids, a practice that has been in existence for a long time. (Teng Chi-er 1996a: 52)

Chang, on another occasion, observed rather bitterly:

For many decades, bid rigging had been a prevalent practice in Taiwan; in fact, it has been pretty much dominated by those "at the top." When someone is left out of the game, he will, via the media, depict the whole incident as *heidao* involvement in bid rigging, even though government officials and elected deputies are the key players in these incidents. Why do we have to just focus on *heidao* involvement? (Hwang Kwang-kuo 1997: 172)

However, a prosecutor who specializes in prosecuting high-level mobsters has the following to say about the role of *heidao* in bid rigging:

When gang leaders say they are only involved in bid rigging at the very end of the process, it's true. But I have to say that's when it counts. I mean public officials and politicians can *bang biao*, but they can't choose a specific business to get the bid. No matter how they *bang biao*, there's still a chance for a few firms to win the bid. That's where the *heidao* people get in. They are the ones who can decide who actually is going to get the bid through the use of force.

Violence

Whatever the impact of mobsters' involvement in bid rigging, there is no doubt violence is associated with it. Regardless of how infrequently it occurs, that is what concerns both authorities and the public the most. When the public learned in 1992 that owners of some of the major construction companies in Taiwan received bullets from anonymous senders along with threatening letters, they were understandably frightened (Tang Su-jan 1992a).

As *heidao* figures became more and more involved in the construction industry, as the number of public construction projects began to increase significantly, and as the budget for construction projects began to reach astronomical figures, violence associated with bid rigging began to appear. One of the main construction companies in Taiwan, the Tung Yi Construction Company, was invaded by a group of gunmen in 1994. Shots were fired in the air, but no one among the hundreds of employees was hurt. However, the blatant act in broad daylight shocked the authorities (Wang Li-ming 1994). When an army general was kidnapped in 1998 because of his implication in a bid-rigging case involv-

ing the army, the public soon realized that nobody was safe if certain participants in a bidding process were excluded or frustrated in their objectives (Lee Jin-wah 1998).

The CKS Airport Scandal: A Case Study

Over the past decade, the most serious bid rigging incident was the Chiang Kai-shek (CKS) Airport scandal. The CKS Airport in Taipei is Taiwan's largest international airport. It had only one terminal when it was first built in the late 1980s, and in line with increased traffic, a second terminal was needed. The project, known as the CKS Airport Second Stage Terminal Construction, was budgeted at NT\$32 billion and was a part of the government's attempt to establish Taiwan as the transportation center of the Asia-Pacific.

The problem lay in the second CKS terminal project interior construction, parking lot, and water routes. The process of *bang biao* had started in 1989, and it made sure that of the more than 2,000 type-A firms, only a dozen or so would be qualified to bid. There was, of course, fierce competition among the remaining firms. Consequently, some firms invited *heidao* figures to help them win the bid. Chun Kuo Conglomerate boss Chen Ti-kuo (also called Chen Chin-chia) invited Feng Jia-chen, aka Er Ma, of the Bamboo United gang to assist him in winning the bid (Yang Kuo-yuan 1996).³ The CKS Airport scandal is the story of how *heidao*, government officials, and elected deputies, worked together to take advantage of a huge public construction project.

According to an agent of the MJIB who was involved in the investigation:

I was with the Northern Mobilization Unit of the MJIB when the CKS Airport scandal erupted. On April 2, 1996, my unit boss was summoned to the office of Liao Cheng-hao, who was then-director of MJIB.⁴ Liao had thrown a copy of *China Times* on a table for my unit boss to take a look. The headlines said that the CKS Airport bid could be contaminated by *heidao* people. Under that circumstance, even though we (the unit) had no idea of who was involved, we started an investigation. We began to interview all the possible firms that were interested in the project. It's the second stage of the CKS Airport project, mainly to install water and electricity, interior work, and the air-conditioning system. I went to southern Taiwan with a partner and began to interview firm owners. Most of them were afraid to talk to us. But they hinted that if we confiscated any evidence of *heidao* bid rigging in their offices, they wouldn't mind. Consequently, we rushed back to Taipei and went to the court to get several search warrants and went back to the south. We went in and searched all the related companies. We gathered plenty of evidence, including their appointment books and the business cards in their drawers.

After the preliminary investigation, we knew that Chen Ti-kuo, Feng Jia-chen, and Shing Ta's boss were involved in bid rigging. Although White Wolf [Chang An-lo] was also said to be seen at some of the dinner meetings between Chen, Feng, and other business owners, I told my boss that it didn't look like

White Wolf was involved. I knew White Wolf long before that incident, and I know that he was unlikely to be involved. I learned from others that White Wolf was at the meetings, but he didn't stay for long. Ultimately, I found out that Feng was using White Wolf's fame. He asked White Wolf to show up to meet the business owners, telling him that it would be a great opportunity for him to meet people in the construction business who might help him to develop business opportunities in the future. That's why White Wolf showed up at some of those dinner meetings, not knowing what was going on.⁵

Feng is a forceful guy. He changes his moods all of a sudden, and he is known to be a tough guy. Even Chen Chi-li was wary of Feng, knowing that he was not the kind of person who could be controlled. Chen Ti-kuo was helping Shing Ta's boss to obtain the CKS project, that's why Chun Kuo Enterprise (Chen's company and Feng was the deputy chairman of the company) did not participate in the bidding at all. Shing Ta's boss asked Chen to help him get the project, but Chen's connection was mainly with the *baidao*—legislators and government officials. However, the *baidao* connection is not enough to discourage other larger, legitimate companies from withdrawing from the bidding. I mean, you can back up your demand with as many legislators as you want, but these large companies can also come up with as many, if not more, legislators than you have. In other words, when it comes to competing for a project, the use of *baidao* is not very effective with these large, legitimate firms.

That's why Chen Ti-kuo turned to Feng Jia-chen for help. With the involvement of Feng, it's a completely different ball game. You have to understand the chairmen of those large construction firms are all wealthy, successful businessmen with families. They are very unlikely to say no to a gangster like Feng. They don't want to take a risk. For Chen Ti-kuo, it was a nightmare, too. He invited Feng to get involved, thinking that he was going to use Feng to achieve his goal. However, as time went by, Feng became the main figure instead of Chen. By then, Chen had no choice but to listen to Feng.

When we were investigating, our unit boss asked Liao Cheng-hao to get an extension of the bidding date so that we would have more time to conduct the investigation. As a result, the original date, April 6, was changed to April 26. After we made sure that Feng and Chen were out of the bidding, the project was bid at around NT\$5 billion, significantly less than the presumed bidding price of NT\$8 billion.⁶

After the first court decision, Shing Ta's boss, Chen, and Feng were found guilty of violating the Fair Trade Law (*gong ping jiao yi fa*). The sentences were light, but Feng fled after the verdict was announced. Chen did not serve any time either because he was bailed out. Later, Chen was determined an Operation Chih-ping target and sent to Green Island.

Chen Chi-li told me his views of the CKS Airport scandal:

The government, including the Department of Transportation, claimed that the prevention of *heidao* involvement in the CKS bidding process helped save several billion dollars. Think about it! Why was the project initially evaluated at such a high price? Why was the budget not cut when it was being examined by the accounting and budgeting division? In fact, I heard that the very head of the Department of Transportation was involved in bid rigging. You can say that

there were many government officials who participated in the kidnapping of the project at the very beginning. That's why the initial estimate was so high. Everybody wanted to get a piece of it. But when it was made public, the government blamed *heidao* figures for the problem because the government did not dare investigate the case thoroughly. If they had, they would have had to punish a large number of high-ranking officials, and I don't think they would dare do that. That's why the best thing to do was to blame the brothers, as if the brothers created the whole problem.

When asked how he felt about being accused of bid rigging in the airport scandal, Feng Jia-chen had the following to say:

The brothers were only involved in the later stages of the CKS Airport scandal. This means the brothers would have made only a small profit from the scandal. However, once the scandal broke out, brothers became the scapegoats because if the government had conducted a thorough investigation, many high-ranking officials and the so-called "legitimate construction firms," including eight of the ten largest firms in Taiwan, would have been implicated. If that had happened, the construction industry in Taiwan would have taken a ten-year step backward.

The government accused me of involvement in the CKS and Siping scandals, but can you imagine that I was only involvement in these two bidding processes? I have participated in so many bidding cases, why were only these two cases considered a problem?

I agree with what White Wolf has to say about the involvement of brothers in the construction industry. That is, brothers become involved mainly because the legitimate firms do not want to play according to the rules, and that's why they invite brothers to join.

Feng's words are supported by a senior police officer who is considered to be one of the experts on organized crime in Taiwan:

To tell you the truth, Chen Ti-kuo and Feng Jia-chen were the ones who got the blame, but it [the bid rigging of the CKS Airport construction project] was really orchestrated by several legislators, including the son of the highest-ranking police officer in Taiwan. The son is a former basketball star. You know whom I am talking about, right? I don't want to mention the name. These guys were the ones who benefited the most from the scandal. But, there's no way we could have gotten these guys.

Chen Ti-kuo, who served eleven months for his role in the CKS Airport scandal and another bid-rigging case, later told a reporter that:

If I didn't give in to the gang pressure, I wouldn't end up like this. However, if I blame the whole mess on the gangs, it's also not a fully responsible way to face the problem. The existence of gangs is a fact, and the impotence of our government to get rid of the gangs is a fact, and if a gang approaches a person, he's got to know how to protect himself. I, myself, had to go through all this. *Heidao* people are like bloodsuckers; once they stick to your body, it's very

hard to get rid of them until they suck all your blood. I am a living example; that's why I tell businessmen to be extremely careful if they are approached by gang members; don't try to deal with them by befriending another group of gangsters because once you do this, you'll never be able to survive it. (Cheng Ying-yung 1997: 85–86)

Penetration into Other Legitimate Businesses

Besides the above-mentioned businesses, brothers in Taiwan are also involved in other legitimate economic sectors, especially the stock market. Because of their participation, violence associated with the stock market often erupts. For example, Ma Ji-lane, the general manager of Yuan Ta, a well-established stock firm, was shot and seriously wounded in 1984 (Chiang Doa-li 1984). Fourteen years later, Huang Nai-shuen, the general manager of Yuan Ta was murdered. Both cases have not been solved by the authorities, but it is widely believed that the perpetrators in both cases are *heidao* figures.

Not only are *heidao* figures actively involved in buying and selling stocks, they are also interested in extorting money from stock firms. For example, a group called Tse Jun Mun, made up of gangsters as well as professionals from the financial world, was once involved in extorting money from shareholders of various firms. Group members showed up at shareholder meetings and threatened participants with violence—much like Yakuza gangsters do in Japan (Kaplan and Dubro 1986). Most shareholders were willing to pay the group a certain amount of money to avoid being harassed. When Operation Chih-ping was launched in 1996, eight members of the gang were arrested and sent to Green Island Prison (Chen Wen-sain 1997).

Moreover, when there is a conflict between management and shareholders, very often gangsters are hired by both sides to support them during the shareholder meetings. Wu So-hsiung, one of the leaders of the Kaohsiung-based Northwest gang was shot and killed at a shareholder meeting in 1983. Wu was hired by an insolvent business to appear at a meeting with people who had loaned money to the failing company. Wu was killed on the spot by another group of gangsters from the Northwest gang who were working for the money lenders (Chao Mu-sung 1983).

Gang and *jiaotou* groups are also involved in the security business. Some gang members form security service companies that cater to certain business establishments such as KTVs, pubs, and nightclubs. In 1999, a rowdy customer was beaten to death inside a KTV store by a group of security guards with extensive criminal records.

Conclusion

Gang and *jiaotou* figures' penetration into the business sector is considered by people in Taiwan to be a serious problem. Many brothers in Taiwan have estab-

lished their own business firms and prefer to be called “chairman” instead of big brother.

Even though nobody questions the presence of *heidao* influence in the legitimate business sector, it is not clear who should be blamed for this. Some, especially *heidao* figures, suggest that their penetration into the business sector was made possible only with the aid of legitimate businessmen who did not want to do business lawfully and honestly. When a journalist asked Chang An-lo, the famous Bamboo United leader, what he knew about the penetration of brothers into the stock market, he averred that:

Only a piece of rotten meat could attract the attention of brothers. It all started with some businessmen who wanted to play games; that's how brothers got involved. You know brothers are not going to bother legitimate businesspeople. Because the owners of these stock firms want help from the brothers to ruin the legitimate way to compete, brothers have the opportunity to get involved. If we are going to blame somebody, we should blame those businessmen who recruited the brothers. The same is true with brothers' involvement in politics. If not invited by political parties, how can brothers get into politics? If not led by businessmen, how can brothers walk into a stockowners meeting? After all, brothers get involved only when someone tells them how to get involved; only if somebody tells the brothers how to violate the rules, do they know how to do it. (Chen Chia-hung 1996: 101)

A Taipei City councilor also echoed Chang An-lo's viewpoint by saying:

In fact, its not that the *heidao* are a major problem. Rather, it the business conglomerates that are the problem. Many wealthy businessmen are now using gangsters to expand their businesses (cable television is a good example). For instance, the Ku family (especially Ku Jen-pu's offspring) and Wang Yo-jen. These people are working with gangsters to monopolize certain businesses. Of course, gangsters can get some rewards by working with these powerful businessmen, but if there is a fall out between them, then the gangsters become the scapegoats.

Other big brothers I interviewed said that their successes in the business sector are due primarily to hard work and their social skills. Chen Chi-li explained why he was so successful in business:

If I had opened a beef noodle stall after my release from prison last time, and worked from dawn to midnight selling beef noodle by the roadside, then people would say: “This big brother has been reformed. Look at how he is now living a straight life.” But if I, as I have done, became a successful businessman who is in charge of many companies, then people only say: “This guy must have used illegal means to achieve all of this; he must have been involved in a lot of illegal activities.” How would these people know that I understand human nature, and that understanding human beings means understanding the market? If you understand the market, then you can be a successful businessman. I also

worked very hard, and also went to many parties to develop good contacts. And that's how I got sick. When I was doing business in Taiwan, I never used force to collect business debts. Also, when *Mei Wah* [the popular weekly magazine Chen owns] reporters were occasionally harassed by brothers, they came to me for help. I always smiled at their requests. I know there are things I can't do.

These statements and observations by organized crime figures suggested the truth of the claim of the famous American journalist Walter Lippman, who described the power and success of the American underworld in the 1930s as based upon the role the criminals played in American society in conflict over its laws—especially Prohibition. Lippman (1931) defined the underworld—meaning organized crime—as a “servant of power”; the mob, syndicates, and rackets preyed upon legitimate society but also performed vital functions that made them indispensable.

Further, the penetration of mobsters into the legitimate business sector is not, of course, confined to Taiwan. Gangsters in Chicago in the 1920s and mobsters in New York in the 1960s became deeply involved in the construction industry. According to Landesco (1968 [1929]: 167), the “entrance of the gangster and gunman into the field of business and industry in Chicago seems to be due to two factors: a situation of cutthroat competition among small business enterprises and a tradition of lawlessness and violence in Chicago.”

Goldstock also explained why the mafia in New York played such a dominant role in the city's construction industry:

... given the large concentration of racketeers in New York City able to exploit this racketeering susceptibility and potential, and given the industry's fragmentation and fragility, segments of the industry have come to depend upon a criminal syndicate acting as a “rationalizing body” with the power to reduce uncertainty and promote stability. (New York State Organized Crime Task Force 1988: xix)

Likewise, Kelly (1999: 28), in his study on the penetration of organized crime into the legitimate business sector of New York City, had suggested that “instead of viewing mafia entrepreneurs as criminal predators who crudely force themselves on their victims, it is often the harried businessperson who turns to underworld elements and invites their help in dealing with problems ranging from crushing competition to troublesome labor problems.”

Thus, in order to understand the problem of *heidao* penetration into the legitimate business world of Taiwan in the late twentieth century, we need to examine the social, political, and economic contexts of collusive bidding and compare these social contexts with other societies where mafia involvement in business is also a serious problem.

5

From Big Brother to Politician

According to Chao Yung-mao (1993), a Taiwanese political science professor, in terms of the relationship between *heidao* and politics, crime groups in Taiwan have evolved from social gangs (1945–60) to economic gangs (1961–75) and then to political gangs (1976–present). Chao suggested that social gangs active in the rural areas were involved in extorting political candidates. Economic gangs, mostly located in urban areas, were involved in campaigning for political candidates, in the hope that these politicians would protect the gangs from police crack-downs. Economic gangs were able to sustain themselves financially with money generated from their legitimate and illegitimate businesses. Political gang members, mostly active in the county areas, were heavily involved in running for public offices themselves. In a 1994 article, Chao Yung-mao estimated that, in the 1970s, about 10 percent of the city and county councilors had gang backgrounds; the figure increased to 40 percent in the 1980s. By the 1990s, over 50 percent of the city and county councilors had gang affiliations.

A media account reported that when a big brother ran for public office, he mainly relied on two things: *hei* (black or violence) and *jin* (gold or money). *Hei* is equivalent to physical aggression, and it means that pillars (vote getters) who are dishonest or do not work hard will be punished by the little brothers of the big brother who is running for office. *Jin* is money, and it means the big brother candidate will repair streets or public places with money generated from his illegal activities (*China Times Weekly* 1995).

According to a magazine survey conducted in 1993, the three cities or counties with the most serious problem of gang participation in politics were Yunlin County, Chiayi City, and Changhua County; the three cities or counties with the maximum level of councilors' involvement in land speculation were Taipei County, Taichung City, and Tainan County; the three cities or counties with the highest level of government officials' involvement in land speculation were Taoyuan County, Taipei County, and Tainan County. For the entire island, the three most serious local problems are land speculation, corruption, and *heidao* involvement in politics. According to the survey, the main reason for the deterioration of local politics is due to the KMT's willingness to associate with local business conglomerates and *heidao* figures in order to help the party win elections (Jiang Shuer-ying 1993).

Because of the ease in winning elections by *heidao* figures, there is a saying in Taiwan: "First, be a brother; then, become an elected deputy." A former DPP legislator told me:

I am a graduate of National Taiwan University Law School. I was arrested twice for political reasons. When I came back to Taiwan to run for office [after living in exile in the United States for many years], people from my hometown said: "If you want to run for office, why bother going abroad for advanced education. You should have just turned yourself into a *heidao* figure." In Taiwan, even if you're not a *heidao*, you need *heidao* to help you run your election campaign.

Table 1.1 in Chapter 1 shows the various estimates of the percentage of elected deputies in Taiwan with underworld backgrounds. Chen Dung-sheng, a sociology professor at National Taiwan University said: "Over 60 percent of Taiwan's 43 [major] crime organizations have publicly elected officials. This means that crime organizations' members can control county councils and even the legislature" (C. Lin 1999b: 3).

This chapter explores the level of mafia penetration into local and national politics. When people in Taiwan talk about the problem of black-gold politics, they like to emphasize that a large part of the island—from Taichung in central Taiwan and all the way to the south—is ruled by *heidao* politicians. As a result, this chapter will focus on the seven central and southern counties that are heavily affected by underworld politics. These seven counties are, from the central to the south, Taichung, Changhua, Yunlin, Chiayi, Tainan, Kaohsiung, and Pingtung.¹ Before I discuss these seven counties, I will examine Taipei first, because it is the largest county in Taiwan and Taipei City is the island's capital and largest city. After *heidao* infiltration into local politics is discussed, the extent of gang and *jaotou* leaders' participation in national politics, especially their role in the Legislative Yuan, the highest lawmaking body in Taiwan, will be examined and evaluated in terms of its impact on the political economy of the entire country.

Taipei

According to Chao Yung-mao (1994), *heidao* presence in politics is significantly different for urban and nonurban areas. In an urban center like Taipei City, it is highly unlikely that political gangs will form; the emergence of economic gangs will be more likely. That is, crime groups in Taipei City are unlikely to have members running for public office, and even if they do, they may not get elected because the city's residents are highly-educated and less likely to be swayed by vote brokers. As a result, crime groups in Taipei City are confined to campaigning for nongang political candidates. Not surprisingly, Taipei City Council is the elected body in Taiwan with the lowest level of *heidao* infiltration. A Taipei City councilman affiliated with the New Party categorized his colleagues into two groups:

In the Taipei City Council, there are two types of councilmen: local-type and image-type. The local-type is very close to their electoral districts and pays a lot of attention to serving its constituents. For instance, they attend all the wedding parties and funerals in their districts, and they emphasize the improvement of local infrastructure. The image-type is the councilor who focuses his abilities on appearing at the city council; he knows how to use the media to establish a good public image. You can also say that the local-type is more likely to buy votes than the image-type. Right now, of the more than fifty Taipei City councilors, about half are local-types and the other half, image-types. Among them, I can say only one is affiliated with *heidao* [her husband]. Among the former councilors, only three to four were *heidao* figures. There are two reasons for the lack of *heidao* figures in the Taipei City Council. First, voters in Taipei are better educated and more sophisticated.² Second, in Taipei City, it's not enough to rely on a person's vice businesses and gang affiliation to be elected. You need many more votes than that.

However, Taipei County Council is believed to be not as clean as Taipei City Council. Some councilors at the county level are either *heidao* or closely affiliated with gangsters. A senior police officer from Taipei County had the following to say about *heidao* penetration into county politics:

Where in Taipei County was the largest number of *heidao* representatives? You first need to know which area is associated with which type of illegal activity. Reyfang and Chingshan are the main areas for all kinds of trafficking; and many electronic gambling and traditional gambling places are located in Tanshui, Sanshir, and Sulin. There are gambling dens and illegal gravel plants in Tucheng, and the representatives there are one-third *heidao*. Shintien is a highly-educated area and the MJIB's headquarters is located there, and even though many big brothers live there, it is relatively quiet and calm. Chungho is occupied by mostly low-level government employees, and it is crowded. Many peddlers from central and southern Taiwan are making a living there. Many elected deputies in Chungho are involved in the construction industry, and most of them are *heidao* people. Panchao is where the Taipei County government is located. It's a major commercial area that is dominated by three families: the Liu, the Chiu, and the Lin. They are all big landlords, and *heidao* all over Taiwan are supported by one of these three families. However, it is a relatively civilized place; you don't see that many gun battles in the area. In the entire county, half of the speakers and deputy speakers of the town councils are *heidao* figures. In sum, the percentage of local representatives in Taipei County with *heidao* backgrounds is quite high.

Even so, there is not much internal conflict among Taipei County councilors. The police officer quoted above explained why:

In Taiwan, the only council that has never experienced fighting on the council floor is the Taipei County Council. Not because councilors there are more sophisticated and professional, it is simply because the council is tightly controlled by Hsui Chia-an [the then-county commissioner] and Lo Fu-chu, who are deeply involved in the construction industry. Besides, Hsui is very good at distributing resources to all his councilors. Every council member will get something from Hsui. He will give every newly elected councilor a chance to be-

come involved in construction projects. He even ordered his councilors to get rid of their past by changing their image: They started to wear suits. He bought new clothes for them and often invited them to go on trips.

Northern Taiwan consists of the following counties: Taipei, Keelung, Taoyuan, and Hsinchu. Two violent incidents occurred in Keelung City involving its councilors. Wu Tung-tang, the second-in-command of the Celestial Alliance, was originally from Keelung where the gang had a strong hold on local crime. A former Taoyuan County commissioner and seven others were murdered in 1996. *Heidao* councilors in Hsinchu City were also reported to have participated in violent activities. Although councilors in northern Taiwan have their share of scandals and violent crimes, the problem of *heidao* penetration into politics is, according to Taiwan authorities and the media, most severe in central (Taichung, Changhua, Yunlin, Chiayi) and southern Taiwan (Tainan, Kaohsiung, Pingtung).

Taichung

Taichung City

After Taipei and Kaohsiung, Taichung City is the third largest city in Taiwan.³ Because it is a booming, freewheeling urban center, many people outside of the city go there for entertainment. Residents of Changhua, Maoli, Nantou, and Yunlin frequent the city looking for fun because there are not many up-scale sex businesses located in their own areas.

As the vice center of Taiwan, Taichung City politics is ripe with corruption. According to a contractor in Taichung:

Chang Wen-ying, the DPP mayor of Taichung City, disappoints many people. The reason is because her husband is deeply involved in making money, and this leads many people to say that her husband is the "real mayor." The city government is almost dominated by her clan, and many KMT councilors are being suppressed by her.⁴

Even so, unlike Taipei City, Taichung City's sex business is infrequently affiliated with *heidao* people. A high-ranking police officer of the city pointed out that:

There are almost no gangs in the city now. Many sex businesses are unlike those in Taipei that need protection, because here they don't have the sense of territory. And also there's very little theft of goods or services. Most sex businesses are operated by local people, but they are not necessarily *heidao* people.

The same police officer told me that:

Taichung City Council is like Taipei City Council; there are almost no *heidao* figures in these two elected bodies. Of course, there are many *heidao* councilors in Taichung County Council. Taichung City is a metropolitan city and residents here are better educated, so it's not easy to buy votes.

Another police officer I interviewed in Taichung City also suggested that there is very little *heidao* involvement in Taichung City politics:

Taichung City is much better than Taichung County. One big brother has been in the council for two terms but he is very low key. One council member is very active in the sex business, and another councilor who was a police officer is also involved in operating entertainment businesses. Only these three city councilors can be considered somewhat unusual; the rest are all good people. The city councilors rarely use their power to cut the police budget. Besides, there are many outsiders residing in Taichung, and as a result, it's not easy to buy votes. Many councilors are elected because they have a good public image.

The same police officer summed up the situation in Taichung City as follows:

There are a few *jiaotou* in Taichung City—one of them is a councilor. Most of these *jiaotou* are involved in the entertainment industry. Some operate protection firms, mediate conflicts, and run underground banking firms. Mainlander gangs could never establish their sphere of influence in Taichung City. All they can do is come here and open a nightclub or operate a protection firm. *Heidao* has, in general, very little effect on Taichung City residents.

Even though the local authorities in Taichung City told me that the problem of their city's black-gold politics is significantly less severe than that of Taichung County, a 1999 research study conducted by Legislator Chien Hsi-chieh's office shows otherwise. According to the many reports prepared by Chien's staff, Taichung City is ranked second in money politics (politicians' involvement in corruption, financial scandals, and vote buying), ninth in mafia politics (*heidao* participation in politics), and fifth in the overall black-gold politics (the combination of business tycoons and *heidao* figures' penetration into politics) whereas Taichung County is ranked eighth in money politics, eleventh in mafia politics, and ninth in overall black-gold politics (Chien Hsi-chieh 1999). See Table 5.1 for the ranking of cities and counties in terms of the seriousness of black-gold politics.

Taichung County

As one of the counties where many local factions exist, and the power struggle among them is fierce and frequent, Taichung County is home to some of the most notorious crime groups in Taiwan. Vote buying, campaign violence, gang murders, and bid rigging often occur in the county's towns such as Salu, Chingsui, Taja, Tatu, Fungyuan, and Tungsi (National Security Bureau 1997). In 1994, of the 57 council members of the county, 17 had criminal records (Len Ji-chung 1994).

The problem of black-gold politics in Taichung County is symbolized by the 41-year-old council speaker Yen Ching-piao, nicknamed Dong Gua Piao (or Piao the Stone Pumpkin) by his grandfather for his short and stout figure (M. Chu 2000a). Yen spent more than three years in a maximum-security prison after he

Table 5.1

The Ranking of Cities and Counties in Terms of the Seriousness of Black-Gold Politics

City or county	Mafia politics	Money politics	Black-Gold politics
Taipei City	10	12	12
Taipei County	8	9	7
Keelung City	20	20	21
Ilan County	18	21	19
Taoyuan County	12	6	8
Hsinchu County	21	18	19
Hsinchu City	19	14	17
Maoli County	14	17	15
Taichung County	11	8	9
Taichung City	9	2	5
Changhua County	2	4	1
Nantou County	7	13	10
Yunlin County	1	11	6
Chiayi County	6	15	11
Chiayi City	17	16	16
Tainan County	4	5	4
Tainan City	13	10	14
Kaohsiung County	3	3	1
Kaohsiung City	15	7	12
Pingtung County	5	1	1
Penghu County	23	23	23
Hualien County	16	19	18
Taitung County	22	22	22
Kinmen County	24	24	24
Lienjiang County	25	25	25

Source: Chien Hsi-chieh 1999.

was arrested during Operation Cleansweep. Before his imprisonment in 1984, Yen was a major *jiaotou* figure in central Taiwan's coastal area, actively involved in operating illegal gambling dens. Once, Yen was extorted by the notorious crime figure Lin Po-wen, aka American Po, and when Yen paid Lin less than what he demanded, Lin took the money and shot up Yen's gambling joint.⁵ Yen was extremely angry, and he immediately dispatched a group of gunmen to go after Lin, but apparently he survived the attack (Chao Mu-sung 1984c). Lin was eventually arrested after a bloody shoot-out with police, and he was later sentenced to death.

Yen expanded his gambling operation by recruiting a number of violent chronic offenders and also by establishing a good relationship with government officials. His ability to pamper his followers with money and to entertain his friends from the power circle enabled him to become a highly influential *heidao* figure in central Taiwan in the early 1980s (Jing Shi 1986).

After his release from prison in 1987, Yen worked as a borough warden for

over three years before winning a seat as a county councilor in the 1994 election where he received the second-highest vote among all the elected councilors for the entire island.⁶ Even as he was serving his first term, Yen was ready to run for council speaker. When the then-speaker Lin Ming-lin's brother was gunned down in front of his office, some suspected that it was the work of Yen. However, a few weeks later, Yen himself was shot. As a result of these two incidents and the sudden withdrawal of support from the Yang family faction (another powerful political and business clan in Taichung), Yen abandoned his plan to run for speaker. Shortly thereafter, Yen entered the race for a seat in the Provincial Assembly and won. At the age of thirty-five, he became the youngest-ever member of the Provincial Assembly. He also became a grandfather that same year when his eighteen-year-old son presented him with a grandson (M. Chu 2000a).

In July 1995, the then-national assemblyman Yen Ching-piao and his followers were allegedly involved in a car chase and a shoot-out with Taichung police. When two journalists reported the incident, they were assaulted by a group of thugs with baseball bats. The media were silenced after the incident, and the local police chief went out of his way to apologize to Yen and his close friend—another controversial legislator from Chiayi. Even though Yen had leapfrogged from being a county councilor to a provincial assemblyman, he was still thought to be closely affiliated with *heidao* figures. When Yen's underworld background was mentioned, his office manager shot back at the reporters: "Yen is a member of the Black Faction [the name of a local faction], not black society" (*Taiwan Weekly* 1995: 21).

In August 1996, Yen Ching-piao was again involved in a violent confrontation, this time at the shareholders' meeting of the San Teh Enterprise. Yen showed up with another controversial national assemblyman Chen Ming-wen, followed by a group of brothers. Yen was caught on camera yelling and participating in a group fight. A DPP legislator even accused Yen and his men of opening fire at the meeting (Wu Tun-chang 1996). When Chen was asked what he thought of his poor public image, he replied: "Chewing betel nuts and cursing are not necessarily bad. As far as I am concerned, this behavior indicates that the person is close to the ordinary people. In the local political arena, this is the best way to win the constituents' trust" (Tu Yuan 1996: 144).

A year later, assemblyman Yen's brother Yen Ching-jin, a well-known *heidao* figure himself, publicly announced in the Philippines (where he was hiding from the Taiwan authorities), that he was going to kill Yang Tien-sen, a political rival of Yen Ching-piao. When asked about his brother's threat, Yen said:

I have no idea what my brother is up to. He is crazy and this is really a headache for me because I already have my hands full. People are saying that I might be a target of the Chih-ping antigang program, that I am the main operator of professional baseball gambling in central Taiwan, and that I am the main rea-

son for the crackdown on mob involvement in the stock market. People are blaming me for all the bad things. Now, even my own brother is creating a problem for me. (Lin Hsin 1997: 129)⁷

In 1998, Yen Ching-piao participated in the race for Taichung County Council, won easily, and was elected by his peers to be speaker (Chen Hung-chi 1999). A year later, Yen was elected chairman of the board of Chen Lan Temple in Taichung County—a well-established religious organization with tens of thousands of followers and a NT\$3 billion deposit, plus a large number of gold bars donated to the temple by the temple's followers. As one of the most powerful county council speakers and the person who is in charge of one of the richest and largest religious organizations in Taiwan, Yen's influence could not have been more obvious during the 2000 presidential election. When Yen orchestrated the annual pilgrimage to a temple in Yunlin County in late 1999, at a time when campaigning for the 2000 presidential race was at its peak, all four presidential candidates showed up to woo Yen and his followers. A police officer in Taichung City had the following to say about Yen:

Dong Gua Piao's [Yen's nickname in the underworld] influence is mainly in Taichung County. Of course, he also had some influence in Taichung City. No matter what, councilors and administrators of the city have to give him face. He had a number of brothers under his control, and they are the ones who are actually involved in illegal activities. Dong Gua Piao will remain behind the screen. Many presidential candidates [for the 2000 presidential election] are now trying to get his support during the election. He, of course, supports all the candidates in public, but he's going to gamble and decide on supporting the most likely winner.

Yen was apparently torn over whom to support because he knew that if he made the wrong decision, he could end up being prosecuted as a *heidao* figure. Yen remained silent until three days before election day, and then announced that he would support James Soong, a former KMT leader running as an independent candidate. The DPP seized the opportunity to publish a huge campaign advertisement in the daily newspapers that described not only the unseemly association between James Soong and Yen Ching-piao, but also between Lien Chan (the then-vice president and the KMT candidate) and Lo Fu-chu (the Celestial Alliance leader) and Wu Tse-yuan (a legislator who was sentenced to life for corruption), and between Chen Shui-bian (the DPP candidate) and Lee Yuan-tseh (the president of the Academia Sinica and a Nobel laureate). At the last moment, Lee endorsed the DPP candidate, Chen Shui-bian. According to Lee, his decision to publicly support Chen was a reaction against Yen's move. Lee's support of Chen may have been the main reason why Chen won the presidency.

The DPP's advertisement was a powerful and unmistakable warning to the public about the widespread influence of black-gold politics in their country.

But, high-level politicians faced (and still do) a real balancing act: In a tightly contested race, honest politicians, no matter how disgusted they are with underworld politicians, could ill afford to turn down their support. On the other hand, as James Soong discovered, *heidao* representatives' support could be a curse rather than a blessing. Even though Soong won Taichung County handily because of Yen's support, he lost the presidential race by an extremely narrow margin because of his alleged close affiliation with "controversial" elected deputies across Taiwan. Lien Chan, the KMT candidate, lost badly, most likely because of the KMT's reputation as a willing partner to the *heidao*'s entry into local and national politics.

Changhua

Changhua County, like its neighbor, Taichung, to the north, is a place with many local factions, and the competition among them is always vicious (Tang Su-jan 1993). A study conducted by the office of a DPP legislator concluded that Changhua County has the most serious black-gold politics problem among all twenty-one cities and counties of Taiwan (Chien Hsi-chieh 1999). According to a Changhua County police officer, about one-third of the county's local elected deputies are *heidao* people, and they are more active in illegal activities than *heidao* politicians in other cities and counties.

A former DPP legislator from Changhua offered the following observations:

I will say 90 percent of the elected deputies in the towns and townships of Changhua County have *heidao* backgrounds. Most of them use drugs. Once, while the KMT was conducting a meeting, one of their elected officials died on the spot because he had forgotten to bring his drugs along. At his funeral, the KMT draped the coffin with the party flag.

Violent incidents involving local politicians are common. In 1983, Changhua County councilor Huang Chung-hsiung was shot and seriously wounded after he failed to repay a NT\$18 million gambling debt. According to a media account:

Huang was born in Changhua. He came from a poor family. When he was a kid, he was a shoeshine boy and also sold ice cream in the Changhua railway station. Later, he became the big brother of a group that controlled Changhua railway station, and soon after, he became a member of the Eight Brothers gang. . . . In the [19]70s, Huang was sent to prison for three years. After his release, he ran for Changhua City representative and won, and four years later, in 1982, was elected Changhua County councilor. His main activity is the operation of illegal gambling joints. However, he didn't get rich through his gambling business because he himself loved to gamble and gamble heavily. . . . Even though Huang was a gangster, he worked very hard as a representative or councilor. He never did anything to enrich himself, and his performance as a local politician was highly regarded. (Chen Ji-fang 1983a: 7)

In 1996, another Changhua councilor, Kor Chi-chuan, was shot to death. Kor was sent to prison after he was arrested during Operation Cleansweep. After spending three years in various prison camps, Kor returned to Changhua and frequented the gambling establishments around the county. With the money he made from gambling, Kor operated bars, KTV, restaurants, and gambling joints. After he was elected councilor, his income from the gambling operations skyrocketed to hundreds of million dollars. Kor was not only active in operating gambling dens but also gambled heavily (Lee Ping 1996).

Erlin Town

Many Changhua brothers come from a town called Erlin (population 130,000) in an area that produces grapes, bamboo shoots, and peanuts. There is also a fishing industry and a seafood industry. According to a police officer who works there:

In Erlin, there are six big brothers and four of them are elected representatives. There are two kinds of big brothers here, the well-connected and the national assemblymen. Both are involved in operating gambling places, some of them are involved in gravel plants, KTV, and betel nut stalls. About four years ago, when the economy was extremely good, these big brothers made plenty of money from operating gambling activities, but not anymore.

It's very hard to survive here. People live in poor conditions and their lives aren't worth much. Young people think that, under these harsh conditions, it's better just to make the best of it, and if they get killed, so what. The people here are very tough, and if a brother commits a serious crime, he's admired for it.

Fanyuan Township

Besides Erlin, Fanyuan is another place in Changhua that has a notorious reputation for being the homeland of many *heidao* figures. In the 1990 election for town magistrate, a shoot-out erupted between the supporters of the two leading candidates, Chen Chu-jan and Hung Jan-shan. Chen won the election; and later when he ran for a second term, a campaign aide working for his rival was seriously wounded by a group of Chen's supporters.

One event that made Fanyuan a household word in Taiwan was the 1997 farmers' association election for general manager.⁸ The race between the two candidates—Chen Chu-jan and Lin Ma-san—was intense. Before the election was over, one campaign manager had been buried alive, and many local politicians were shot (*China Times Weekly* 1997b). Chen had been affiliated with Huang Ju-wang, a much-feared gangster, while Lin associated with Hsieh Weilan, another heavyweight gangster in Changhua. This particular election made clear that whenever two candidates vying for a lucrative position were supported by two different groups of powerful and cunning criminals, it was bound to result in violent clashes.

Hung Si-tiao and Hsieh Tung-yun

Hung Si-tiao and Hsieh Tung-yun were two of the better-known *heidao* figures from Changhua and their murders were widely reported in the media. Hung Si-tiao was gunned down while attending a funeral in Taipei; his assailant was the son of a rival, Hsieh Tung-yun. Hsieh Tung-yun was one of the *jiaotou* leaders who formed the Celestial Alliance, and he headed the Pu Tau Branch in central Taiwan. The younger Hsieh carried out the murder because he was upset with the way Hung was treating his father. Hung's followers, assuming that the younger Hsieh acted with the support of his father, were desperate to kill the older Hsieh. However, Hsieh Tung-yun had barricaded himself in his hometown, Erlin. Then, one day, as Hsieh and his bodyguards drove out of town in two cars, Hsieh Weilen and his followers, all *heidao* figures associated with Hung, attacked the entourage with automatic weapons. Two big trucks trapped the two cars in between; Hsieh Tung-yun and his men were slaughtered, their bodies riddled with bullets. The media reported that the incident was like a scene taken from a Hollywood film. A few days before he was killed, Hsieh Tung-yun had announced that he would run for the legislature.

Nien Chung-len

Another well-known *heidao* figure in Changhua was Nien Chung-len, a former deputy speaker of the county council. According to a DPP legislator:

Nien Chung-len was wanted for arms trafficking. He escaped to the Philippines but was arrested there and extradited to Taiwan. However, he was acquitted in Taiwan, and he became the deputy speaker of Changhua County. He was heavily involved in the illegal unearthing of gravel. There were two factions in the county council, one dominated the area of the upper river and the other, the lower river. Nien also controlled all the construction projects, and he made sure that construction firms that were related to him would get these projects. In turn, Nien's soldiers were supported by these firms. Nien Chung-len had two motorboats and he used them in his smuggling activities.

Nien Chung-len was arrested in 1987 on the eve of Operation Thunderbolt. At that time, Nien, who was thirty, was only a small-time gangster and was therefore confined for only a few months and released (Liao Su-jen 1996). After his release, he began to get involved in the gravel business and earned a lot of money. With his financial background and good connections, he ran for councilor in 1990 and won handily. Nien was wanted for arms smuggling in October 1990, but he was in the Philippines at that time and refused to come back to Taiwan. He then was arrested by the Philippine authorities but escaped by bribing them. When he passed through CKS Airport in Taipei on his way to Korea, he was arrested. A judge found him guilty of all eight counts and removed him from his

post as councilor; later he was declared innocent after he had received the support of an influential politician from Changhua.

According to Liao Su-jen (1996: 164):

In 1994, Nien ran for public office again during the Thirteenth Changhua councilor election and won handily. After his election, he teamed up with another councilor, Pai Hung-sen, to run for speaker and deputy speaker in the Changhua County Council. Nien and Pai were not KMT members, but they approached the party and asked for permission to join. They made it known that they were in control of 80 percent of the councilors' vote. After the KMT in Changhua estimated that the two were very likely to be elected as speaker and deputy speaker, they were invited to join the party and subsequently ran as the party's candidates. After the election, Pai was elected as speaker and Nien as deputy speaker of the Changhua County Council. . . . Besides hiring a professional killer from China, Nien had about ten killers working for him as either drivers or bodyguards. These people protected Nien and when needed, worked as muscle in making sure other gravel plant owners and drivers gave in to Nien's demands.

Nien and his followers were almost untouchable. Nien became one of the key players in the illegal operation of gravel plants in central Taiwan. They were not only directly involved in the illegal unearthing of gravel, but also they extracted protection money from all gravel plant operators; those who refused to give in to their demands were assaulted. However, when Nien and his people killed a gravel truck driver who did not follow their orders, Nien was finally arrested and sentenced to a long prison term. While he was indicted for the murder, his wife ran for a seat on the county council and won handily, even though she was a novice in politics.

Yunlin

As mentioned earlier, Yunlin County is often labeled "*heidao* county" or "home of organized crime" in the national media because of favorable environmental factors that nurture gangsters. Brothers from Yunlin's Taisi Township constitute a major force in the Taiwan underworld. In a 1998 survey conducted by *Global View Magazine* on the performance of county and city commissioners, Yunlin received the second worst approval rating (S.C. Liu 1999). According to Lin Chieh-yu (1999a: 3), "the soil of the coastal area [of Yunlin] is too saline for farming, and there were neither mineral deposits nor tourist spots to use as a source of income. Living standards remained low. Yunlin still has the highest rate of illiteracy of any county in Taiwan." Even so, competition among local factions is the fiercest in Yunlin (Wang Kun-yi 1997).

According to a 1999 estimate by the *China Times*, twelve Yunlin County councilors are gangsters, and Yunlin ranked second in terms of the percentage of councilors with *heidao* backgrounds (Lee Jor-ping 1999). A police officer from Yunlin

told me: "In Yunlin County, there are six councilors from Silau Town, and two of them are *heidao* figures. Of the 33 town representatives of Silau, 11 have underworld backgrounds. That means, on both levels, the *heidao* percentage is about one out of three." Another Yunlin police officer said: "If you include those who have any connection or affiliation with *heidao*, the percentage could be as high as 80 percent."

After a key politician with shady connections was gunned down in Yunlin in 1993, a media account described the intricate relationship between gangs and politics in the county:

In Yunlin, there is a close relationship between *heidao* and politics. If a politician does not have his own group of brothers, he can't get involved in local politics. Eventually, all politicians there became brothers and brothers became politicians. A Yunlin resident said sarcastically: "When the weather is hot and the representatives remove their clothes, you will see colorful dresses [body tattoos] everywhere: There are dragons and phoenixes, roses and ninjas." Another said: "Why can't one find *heidao* figures in Yunlin? Because they all have become politicians." (Chiang Jen-hua and Ker Su-len 1993: 43)

Long before the county became known as "*heidao* county," a writer had observed that:

There are three important features of *heidao* in Yunlin. First, the crime groups in Yunlin are not well organized. Second, *heidao* figures from Yunlin often migrate to other cities, especially Taipei and Kaohsiung. Third, they are active in politics, either as campaign managers or candidates. Why are hooligans in Yunlin interested in running for public office? First, to promote their social, political, and underworld positions and to protect their illegal businesses or their role as a "protector" of other people's illegal operations. Second, to move them from type A or type B hooligan to type C or type D hooligan and eventually to remove their names from the hooligan record. (Hua Ming 1983: 45–47)⁹

Three individuals who are often mentioned within the context of Yunlin mafia politics are: Liu Chi-shun, a gangster county councilor who was murdered in 1993; Lin Ming-yi, a Taisi brother who is now a prominent figure in the legislature, and Chang Jung-wei, a brother from Tuku Town who is now the county magistrate. I will discuss Lin later on in the section on *heidao* presence in the legislature.

Liu Chi-shun

In 1993, Liu Chi-shun was a twenty-nine-year-old county councilor who was shot five times in Touliao City, Yunlin. Liu's personal secretary was also shot two times. Both survived the assault, but when the police investigated the incident, which occurred on the eve of the county commissioner election, they

discovered that Liu Chi-shun was shot by gunmen hired by a nephew of deceased *heidao* figure Chung Chang-wei. In the early 1980s, Chung was one of the most influential *heidao* figures in Tounan City. Liu was, at that time, one of Chung's little brothers.

Chung Chang-wei was arrested during Operation Cleansweep and received a three-year sentence. While Chung was in prison, Liu Chi-shun became the big brother of Tounan and the key benefactor of vice businesses in the city. Later, Liu was elected county councilor and became a key figure both in the underworld and in politics.

A media account (Chiang Jen-hua and Ker Su-len 1993: 41) described why Liu decided to run for public office:

People said Liu had no intention of becoming involved in politics. But four years ago, just before a major election, the government initiated a wave of arrests of *heidao* figures, and Liu was included as a target. Later, Liu's boss, nicknamed "Chung Jen," asked an influential legislator to make sure Liu would not be sent to prison. After this incident, Liu realized that being a popularly elected representative was the only way to protect himself from the police. He then ran aggressively for a seat on the county council. He used up a huge sum of money during his campaign, and with the help of his brothers, he was elected.

Upon his release in the late 1980s, big brother Chung returned to Tounan and prepared to muscle his way into the city's vice businesses. Chung's plan to control the area's sex and gambling operations threatened to cut into Liu's interests. After Chung declared that he himself would run for county councilor, Liu decided to get rid of his former boss. Chung was murdered in 1988. Five years after Chung's murder, a nephew of Chung ordered a group of gunmen to kill Liu Chi-shun.

During the investigation of these murders, the authorities also discovered that Liu had been involved in another murder; the killing of Tang Yu-lu, the executive director of the Tounan farmers' association that had occurred just three months before Liu was shot. Liu had ordered a seventeen-year-old little brother to kill Tang and promised to pay the teenage killer's family NT\$5 million if he was caught. After giving the order, he took a trip to Malta with the then-county speaker Chang Jung-wei. Tang Yu-lu, a well-educated teacher, had been killed because he had not supported Liu in an election (Yang Ji-jin 1999). Liu was later sentenced to death for his involvement in the murders of Chung and Tang (Lin Chao-hsin 1994a).

Chang Jung-wei

Of all the brothers who have entered politics, Chang Jung-wei occupies the highest executive position—the commissioner of Yunlin County. As a *heidao* figure, Chang was a target of Operation Cleansweep, but he was not arrested.

Chang was elected county councilor in 1989, and as a rookie councilor, was

selected as speaker by his fellow councilors. After Chang took over the county council speaker's seat, KMT officials persuaded him to join the party in a bid to coopt Chang's enormous local influence. According to a media report, Chang never shied away from his *heidao* background. Through construction and real estate businesses, he earned large sums of money. He was a close associate of Lin Ming-yi, a KMT legislator (Chiang Jen-hua and Ker Su-len 1993).

According to a senior reporter in Yunlin: "After Chang Jung-wei became an elected deputy, the *heidao* problem in Yunlin actually improved because he did try to control his people from involvement in reckless violent activities." After serving as county council speaker for two terms, Chang Jung-wei, now a KMT member, decided to run for county commissioner in 1997 against his party's will. Chang withdrew from the KMT and ran as an independent, but he lost the race to the KMT candidate Su Wen-hsiung.

Two years later, in 1999, Su Wen-hsiung died unexpectedly and, according to Taiwan's local self-government law, a by-election had to be conducted to elect a new commissioner if there were two or more years left in the term. Because the by-election was viewed as a precursor to the 2000 presidential election, it became a major political event.

After Su's funeral, Chang Jung-wei (Independent) announced his candidacy for the commissioner election. The DPP nominated Lin Chung-li, the mayor of Silau Town. The KMT had a hard time coming up with a strong candidate because it could not find a candidate who would be accepted by all five KMT local factions in Yunlin. Eventually, the KMT settled on Chang Cheng-hsiung, the KMT party chief in Yunlin County. As a candidate with no local factional affiliation, he was thought to have no chance to win the election. The media reported that the KMT had nominated a sure loser because Chang Jung-wei "had signed a confidential contract with Huang [Kun-wei, a high-ranking KMT official], in which he promised to back up KMT presidential candidate Lien Chan and return to the KMT if he wins" (L. Chen 1999: 3).

The by-election was set for a day in October 1999. A massive earthquake hit Taiwan on September 21 and forced a postponement until November. According to a journalist I interviewed, the collapse of a few buildings in Touliao that were associated with Chang Jung-wei's construction firm might have destroyed his chance in the election:

Before the earthquake, it was very much a foregone conclusion that Chang Jung-wei was going to win. However, the collapse of a number of buildings built by Han Ji Construction Firm tarnished Chang's reputation. But because Han Ji was a collection of people from all walks, including prosecutors, police officers, intelligence personnel, business owners, elected representatives, politicians, local KMT cadres, reporters, and what not, many people benefited through their affiliation with the firm. That's why if the government was going to conduct a thorough investigation [of the buildings' collapse], many influential people were going to be implicated.

As the race began in earnest in October, there were rumors that both Chang Jung-wei and Chang Cheng-hsiung were prepared to spend a large amount of money buying votes. There were also widespread allegations that Chang Jung-wei's brothers and all the big brothers across the island were mobilized to support him. Most of these accusations were made by DPP members (C. Lin 1999a).

The DPP, sensing that their candidate Lin Chung-li was in danger of losing the race to Chang Jung-wei, mercilessly attacked Chang in the media, suggesting that he was a *heidao* figure, and his election would mean that Yunlin County was actually a "heidao county." When Chang Jung-wei's campaign strategists saw the impact of the DPP's attacks, they arranged for Chang Jung-wei's teenage daughter to appeal directly to the public, just two days before the election. The media depicted the occasion as a melodramatic event:

Chang's daughter, Chang Chia-chun, a nineteen-year-old who studies in England, held a conference two days ago to rebuff accusations that her father was a gang leader. "My father is just like a mountain, and he serves this county in sincerity. I feel distressed when people say that my father is a gangster," she said. Then on Wednesday night, she knelt down on a campaign rally stage and began to cry as she asked voters to support her father. (Lin and Chen 1999: 3)

As expected, Chang Jung-wei won the race, holding a slight margin over the DPP candidate, with the KMT nominee a distant third. After Chang Jung-wei's victory, a DPP member commented that:

In past decades, gang leaders could only run for positions as low-level representatives such as county or city councilors, or as lawmakers. But Chang's victory can be recorded as a landmark, one that may lead organized crime leaders to compete with other politicians for county commissioner or even high-level elections. (Chen et al. 1999: 1)

However, a police officer in Yunlin was not all that cynical, at least not in his role as a crime investigator. He pointed out that there could be a downside to having a *heidao* figure as the commissioner:

If Chang Jung-wei is elected, it's easier for us to investigate crimes. All we need to do is talk to him, and we can get plenty of information from him. But that also means we can forget about investigating those people who are related to him because he can order our department chief to transfer anyone anytime. For example, when Liao Chuan-yu was the commissioner, a unit leader in Touliao stepped on the toes of one of the commissioner's pillars, and the unit leader was transferred to another place the same day.

A gang leader was somewhat optimistic about Chang Jung-wei's victory:

We all knew that Chang Jung-wei was going to be elected; we were not surprised at all with the outcome. He's 100 percent brother. If we have some

"brother-related problems" to be taken care of, we will for sure seek help from him. He should do a better job [as commissioner] than either Chang Cheng-hsiung or Lin Chung-li.

A DPP assemblywoman said:

One of the reasons why Chang Jung-wei won is because he knows how to get along with people [*zuoren*]. As a result, many pillars [vote brokers] were willing to campaign hard for him; some of them even took money out of their own pockets to support his campaign. For example, a businessman from Yunlin returned to Taiwan almost broke after his business investment in China failed miserably. None of his friends and relatives would lend him a hand. Chang found out, and he immediately gave the man NT\$3 million. If Chang makes NT\$300 million a year, he spends NT\$600 million a year. For Chang, being a politician means losing money. Chang also has his dark side. When he was the speaker, he summoned a government official to his office and asked him to alter a land-development plan. When the official refused to do as he demanded, Chang nodded his head, and his driver beat up the official right there and then.

After Chang Jung-wei became the commissioner of Yunlin, he was asked by the KMT to rejoin the party, which he did. He supported the KMT candidate Lien Chan in the 2000 presidential election, even though Lien lost to Chen Shui-bian (DPP) by a wide margin.

Chiayi

Chiayi is another county in central Taiwan where the local political arena is deeply penetrated by *heidao* figures. No one knows for sure how many local politicians are gangsters. According to Wu Fang-ming (1996), of the 36 town municipal council speakers and deputy speakers in Chiayi County, 14 are *heidao* figures. One of the 18 town and township mayors in the county was a gangster, and at least 3 county councilors had *heidao* backgrounds. A DPP county councilor estimated that one-third of his colleagues (about 30 altogether, and 27 are KMT party members) are gangsters. A high-ranking police officer told me at least half of the county councilors in Chiayi are mobsters. Another DPP councilor from Chiayi also said half of his peers are *heidao* members who are heavily involved in bid rigging and illegal gambling.

A Chiayi taxi driver insisted that 90 percent of the county councilors are related to *heidao*. When I expressed my amazement at his estimate, he said: "Well, at least 70 percent." Coincidentally, a former big brother in Chiayi told me:

I can assure you that more than 90 percent of the elected deputies in Chiayi County have *heidao* backgrounds, if you include the deputies with *heidao* figures among their family members and relatives. If you consider just the deputies themselves, the figure is still 70 percent *heidao*.

According to Ta Tou Chen (1986), a Chiayi *heidao* who was sentenced to death for murder, in the mid-1980s there were more than 100 big and small *jiaotou* groups in Chiayi City, a relatively small city with a population of about 300,000. That is why so many hoodlums in Chiayi had to go somewhere else to make a living and that's why there are hoodlums from Chiayi all over the country, especially in Taipei City, Sanchung City, and Kaohsiung City.

Lu Chao-sung, a Chiayi County councilor, was the first ever active councilor to be arrested as a hoodlum. According to the police who arrested Lu in 1990, Lu used threats to get money, operated gambling places, and possessed illegal firearms. After his arrest, a reporter interviewed his wife, and it was apparent that she did not see anything wrong with her husband's affiliation with the shady people:

Q. XXX is a major arms trafficker; why did Lu Chao-sung have connections with him?

A. XXX is also a local guy. He and my husband grew up together; they are good friends. When he had financial problems, we used to help him out. You can't generalize and say that everyone who has connections with him is a hooligan, can you?

Q. Among Lu's friends, there are *heidao* people, right?

A. I don't deny this. But a person who befriends hooligans is not necessarily a hooligan.

Q. Is it true that when *heidao* people seek financial help from Lu, he always provides them with money?

A. No matter if a person is *heidao* or *baidao*, if he or she asks help from my husband, he never refuses. (Chao Mu-sung 1990b: 25)

The ambivalence about criminals, crime, and affiliations with criminals in Chiayi is consistent with studies of public attitudes toward crime in other settings. In the United States, in communities where criminals live or work, local attitudes are not vigorously anticrime. Indeed, in such places, the local community becomes immersed in a criminal subculture and as importantly becomes somewhat dependent upon criminal organizations for jobs, economic opportunities, social services, and protection (Pileggi 1985).

The Hsiao Clan and Tseng Jen-nung

In Chiayi, the three most powerful political groups are the Huang Faction, the Lin Faction, and the Hsiao clan. All three groups are not considered outright crime groups, but the Hsiao clan, because of its two key figures' *heidao* backgrounds, is more likely to be considered a crime group by law enforcement authorities. All three groups are affiliated with big brothers.

The key members of the Hsiao clan are Hsiao Teng-won, Hsiao Teng-shi,

and Hsiao Teng-piao, three brothers who dominate Chiayi politics. The eldest, Hsiao Teng-won, is the speaker of Chiayi City Council; the second brother, Teng-shi, is the executive director of Chiayi City Farmers' Association; and the youngest, Teng-piao, is the speaker of Chiayi County Council. Both Teng-shi and Teng-piao are brothers who were major targets of the Chih-ping antigang program in 1996.

According to a police officer in Chiayi City:

There are two powerful crime groups in Chiayi City: the Hsiao brothers and the Nan Men Tien Market group. The latter is heavily involved in illegal gambling operations. Recently, Hsiao Teng-won's daughter ran for the legislature and was elected. She is only twenty-five years old, and recently returned from the United States. Hsiao Teng-shi was the man behind the campaign of Hsiao Yuan-yu, who is his niece. He spent half a million Taiwan dollars to buy a pillar (campaigner or vote-buying agent) and threatened those who dared to refuse his offers [of money for votes]. Hsiao Teng-won is not a *heidao* figure; it is Hsiao Teng-piao who plays the role of the front man of the Hsiao clan. In order to win, the Hsiao family spent a lot of money running Hsiao Yuan-yu's campaign. They threatened their competitors' vote brokers.

Hsiao Teng-won became a councilor of Chiayi City in the early 1990s and was elected speaker of the city council after he was elected to a second term. While Teng-won had been busy developing his political career, his two younger brothers, Teng-shi and Teng-piao, were running around with a group of brothers. Both were targeted during Operation Cleansweep in 1984 but were not arrested because of their connections with influential figures. Later, Teng-shi became general manager of Chiayi City Farmers' Association and Teng-piao became Chiayi County councilor, and as a rookie councilor, was elected as deputy speaker (Ker Su-len 1992a).

Even though the two younger brothers became key political figures in Chiayi politics, their close affiliation with *heidao* figures and involvement in illegal activities prompted Liao Cheng-hao, the then-Minister of Justice and the mastermind of Operation Chih-ping, to arrest Teng-shi and Teng-piao in 1996. Teng-shi was accused of his role in illegal baseball gambling, and it was alleged that he used violence to intimidate baseball players to lose a game intentionally. Teng-piao was charged with fourteen counts of crime, including an allegation that he had a contractor kidnapped after the victim refused to pay extortion money (*China Times Weekly* 1997a).

When the Chih-ping program was launched, both Teng-shi and Teng-piao were tipped off about their impending arrest and they suddenly disappeared. Teng-shi was later arrested in Singapore and extradited to Taiwan. Teng-piao disappeared for 130 days and then showed up one day in the Chiayi County Council and, as a fugitive and a speaker, went on to chair the council meeting while hundreds of armed police officers surrounded the council building. People were

amazed to see on television how the criminal justice system in Taiwan was being mocked. Under immunity laws, which prevent elected councilors from being arrested as long as their assemblies are in session, the fugitive speaker, Hsiao Teng-piao, could not be touched.

When the session was about to end and the police were closing in on Teng-piao, the county council decided to extend the meeting for several days. Before the session was over, Teng-piao disappeared again under the watchful eyes of the authorities who had ordered round-the-clock surveillance of his office and home. At that point, it was clear that there was little the authorities could do to those *heidao* figures who occupy key political posts.

While Teng-piao was on the run, his term as councilor and speaker expired. Desperate to cling to his political post, Teng-piao somehow was able to register himself with the local election committee as a candidate for the councilor race, and he asked his seventeen-year-old son to campaign for him. To the authorities' dismay, Teng-piao won by a landslide even though he had never showed up at any political rally. After he was elected councilor, his peers in the county council again voted him to be their speaker. But because Teng-piao could not attend the swearing-in ceremony, he was stripped of his speaker's office, though not his seat as a councilor. From the beginning to the end, the whole affair involving Hsiao Teng-piao seemed like a circus, and before it was over, the reputation of the Taiwan authorities had been badly damaged.

The Hsiao clan firmly believed that the Hsiao brothers became antigang targets because Tseng Jen-nung, a KMT legislator from Chiayi who was the key political opponent of the clan, urged the authorities to crack down on the family. Tseng was a business tycoon with good connections to key figures in the KMT upper echelon, including the then-vice president Lien Chan. Tseng was accused of using his money to buy a seat in the legislature because he was selected by the KMT as a legislator-at-large.¹⁰

Tseng Jen-nung is not a brother, but some of my subjects view him as a *heidao* figure nonetheless. At the very least, most people in Taiwan would agree that Tseng is a *huidao* figure, and he personifies the problem of black-gold politics in Taiwan. Tseng owns a manufacturing firm and had businesses throughout Southeast Asia, especially in Cambodia. His relationship with political leaders in Cambodia has often been reported in the press.

Two Councilors: Lee Wen-tang and Yu Cheng-ta

Two county councilors from Chiayi who were listed as hoodlums during Operation Chih-ping are discussed here to help readers obtain a closer look at who they are and how they view their predicaments as Chih-ping targets. The first councilor is Lee Wen-tang, a short, skinny old man from Neipu Township who fled Taiwan after Chih-ping was launched. In an interview, he told me:

I served as a councilor of Chiayi County for two terms and when I was about to run for town mayor, I was listed as a Chih-ping target and that's why I escaped to Cambodia. I have been here [Cambodia] for almost three years. I am now in my sixties.

I was originally a farmer. I later started a funeral business and then I became a councilor. At the very beginning, I helped others run for public office, and then people encouraged me to run. I was targeted by the MJIB; the local police would not have done that because I have contributed to the improvement of our town's infrastructure with my own money.

As a tobacco farmer, I used to live a bitter life: I got up very early in the morning and worked late into the night. Later, I became a businessman. To be honest with you, I became involved in the manufacturing of coffins. After my business began to grow, I often helped out those who were in need. When there were elections, I also began to support certain candidates. Because of my benevolent activities in the local areas, the candidates I supported always won. At that time, I was also the director general of the local tobacco farmers' association. At a celebration party for a newly elected politician, he and other pillars said I had always played a critical role in local elections, and they all encouraged me to run for councilor in the coming election. And I did.

Lee Wen-tang did not tell me much about the reasons for his being labeled a hoodlum, but a businessman who is familiar with Lee's predicament provided the following information:

When the government cracked down on gang members, some were innocent but some deserved it. Take Lee Wen-tang for example. Even though I understand how tough it is for him to live as a fugitive in a foreign country, I also think he is responsible for this situation. The main problem lies with his two sons who are quite reckless. These two guys always went around with four bags filled with firearms. This young man [who was with the businessman at that time] used to hang out with Lee's sons and got himself implicated in a shoot-out, which resulted in the death of an innocent woman. That's why he escaped to Cambodia. Whenever Lee's sons got into trouble Lee would go to the police and tell them not to press charges, so the sons always got away with their bad acts. Can you say that Lee is not responsible? Besides, once you are involved in bid rigging, you have to threaten people; there is no other way to do it. Lee was often involved in bid rigging and he did assault one of the bidders.

On the other hand, when I interviewed Lee Wen-tang's supporters in Chiayi, one of them saw the crackdown on Lee as simply political persecution:

Lee Wen-tang is a victim of local factional conflicts. He is innocent; he is wrongly accused by his political opponents. Lee was never involved in any wrongdoing. He is a nice guy who worked very hard to serve his people and obtain money for local construction. The main reason behind his downfall has to do with the last mayoral election. Lee supported Chen Si-yung, who lost. The winner was Lee Ya-jin, and Lee Wen-tang used to be one of his people. But Lee Wen-tang decided to support Chen because when Chen was the mayor, he allotted money

to Lee Wen-tang's hometown construction projects. That's why Lee Wen-tang was returning a favor to Chen.

After the election, Lee Wen-tang tried to explain to Lee Ya-jin why he supported Chen, and as a result the new mayor was about ready to forgive him. But, councilors from Lee Ya-jin's faction, the Huang Faction, wanted to bring Lee Wen-tang down. That was why Lee Wen-tang eventually was marked as a Chih-ping target. If Chen Si-yung had won the mayoral election, Lee Wen-tang would not have been targeted by the authorities.

Another Chih-ping target, Yu Cheng-ta, a county councilor in his late thirties, told me how he became a councilor after spending many years with brothers:

I used to hang out with a group of brothers in Kaohsiung. After I returned to Chiayi, I became affiliated with Lee Ya-jin, the mayor of Chiayi County. He was very fond of me and wanted me to become the mayor one day. However, I decided that I was going to create a new world by myself, so I left Lee's camp and ran for the county council. My initial goal was to become the speaker after being elected as councilman. After I got elected, my negotiations with all the parties involved did not work out. They all wanted to use the lottery system to decide who would become the speaker. And once someone made that clear, I smashed a teacup in disgust. Why? Because if I had won, that meant I was elected speaker by chance, not by my ability. And I didn't want to lose face that way.

Tainan

Unlike the above-mentioned counties, the percentage of local politicians with *heidao* backgrounds is considered to be relatively low for Tainan County. The police officer in the county indicated that:

The underworld in Tainan is not much different from other cities and counties. There are four powerful groups in Tainan City: East Gate, South Gate, Park Entrance (Kung Yuan Ko), and Small Park (Shor Kung Yuan). These groups are mainly involved in operating gambling joints and sex businesses. The commercial sex business in Tainan is not well established. However, there are many mobile gambling operations all over the county because it is a relatively large county where there is lots of space for gambling joints to move around freely.

The leaders of these groups are relatively old, but they are very influential. They normally support those who are affiliated with them to run for public office. After the political candidates are elected, they will then follow the orders of these influential *heidao* figures. It's just that because they are elected deputies and they are close to *heidao* people that they act very arrogantly.

One of the most notable *heidao* politicians in Tainan is Wu Mu-tung, a former deputy speaker of the county council. As a big brother with a long criminal history, he was sought after by the authorities during Operation Cleansweep, but he was able to go into hiding and returned only after the crackdown subsided. In 1992, Wu was accused of involvement in an election-related violent incident.

When a DPP candidate's campaign manager was shot during the 1992 mayoral election, the DPP candidate said that the act was committed by his KMT opponent's key supporter Wu Mu-tung, who was then deputy speaker. When Wu was summoned by the police to explain himself, he showed up at the police station heavily armed. Under the watchful gaze of a large number of reporters, Wu accidentally dropped three handguns while he was walking toward the police station (Huang Cheng-ching et al. 1992).

A few months after the incident, Wu Mu-tung was found dead in his bedroom. An investigation of Wu's death led Taiwan authorities to rule that Wu died due to poor health, a result of his using drugs, drinking alcohol, taking sleeping pills, and frequent party-going (Chao Mu-sung 1992b).

Kaohsiung

Kaohsiung City

Kaohsiung City is the second largest city in Taiwan, after Taipei City. It is an international seaport located in the southern part of Taiwan. Many so-called "special businesses" exist there, due to the fact that there are several major armed force bases located in the area. The city is also a major base for gangs and *jiaotou* groups in southern Taiwan.

The city council of Kaohsiung is considered to be deeply penetrated by *heidao* figures. According to a media account:

In Kaohsiung, there are many councilors who are very close to local *jiaotou*, and that makes them shady. For example, one senior councilor's brother is a big boss of the Jor Ying District; one councilor needed a gangster, armed with a hatchet, to accompany him into his office; one councilor is a close friend of an Operation Cleansweep figure; one councilor who was threatened by other councilors walked around with a group of little brothers; one councilor's son was charged with arms trafficking. (Shan Ming 1989: 39)

Some of the well-known mafia councilors include Chang Sheng-wu, Hsu Kun-yuan, Tsai Sung-hsiung, and Huang Chu-chuan. Chang is one of the top three *heidao* figures in Kaohsiung City (Kuo Shan 1982). In 1982, when he was the key operator of the Lichi Nightclub, Chang was shot by a group of gunmen. In 1988, when Chang's father passed away, Chang organized one of the grandest funerals in the history of Taiwan. Hundreds of heavyweight figures from the underworld, the business community, and the political arena showed up to pay their tributes to Chang's father (Liu Tsi-ping 1988).

Hsu Kun-yuan is the younger brother of Hsu Kun-lung, a former city councilor who, in the early 1980s, was one of the key operators in the city's commercial sex world. Hsu Kun-yuan, as a councilor and the chair of the city council subcommittee on criminal justice, owned several nightclubs and hostess bars. He

was later implicated in a shoot-out between gangsters and police that took place inside one of his nightclubs. Two police lost their lives, and several others were seriously wounded. Hsu Kun-yuan is a brother who is active in illegal gambling.

Tsai Sung-hsiung, aka Maju, is a legend in the underworld of Kaohsiung. Maju comes from a rich family, and in the early 1980s, he was involved in operating some of the largest nightclubs in Kaohsiung. He was in a shoot-out with the police around that time and was later arrested during Operation Cleansweep. Maju ran for city councilor after his release from prison in the late 1980s, and with the support of some of the most powerful political figures in Kaohsiung, he won easily. In the late 1990s, his peers elected him as the deputy speaker of the city council, even though his gang background was reported extensively in the media just before the election. According to a *jiaotou* in Kaohsiung, Maju was elected as the deputy speaker because he was willing to pay his colleagues NT\$5 million per vote.¹¹

Huang Chu-chuan, the speaker of the city council, is alleged to be a *heidao* figure also. According to a taxi driver in Kaohsiung, Huang's home is actually a major gambling joint. A *jiaotou* told me that Huang, like Maju, was elected as speaker because he paid off his peers: NT\$10 million per vote.

Kaohsiung County

There are three local factions in Kaohsiung County: white, red, and black. The first two factions belong to the KMT, and the last, to the DPP (Chu Ming-hui 1992). The murder of the county council speaker, Wu Hao-sung, in 1995 convinced people that *heidao* influence in Kaohsiung County was serious. Wu had been the highest-ranking elected deputy in the country ever to be killed by brothers.

Chao Mu-sung (1985: 12) describes how Wu became involved in politics:

At the time when he declared his intention to run for public office, many people predicted that, because of his [poor] public image, he definitely wouldn't be elected. Many brothers went all out to help him with his campaign, and as a result, he was able to buy votes. After the votes were counted, of the seven candidates who won a seat in Kangsan [District], Wu got more than 6,000 votes, and he was the top vote getter. Some said, because he was elected, he ought to become a good representative, and Wu did intend to become one. However, the brothers around him became very active after Wu became a councilor. Their mind-set was: "Our leader got elected, our lives should get better." When brothers got into trouble, Wu had to help them; when brothers got arrested, Wu had to find connections. As a result, after he was elected, his life became more complicated. Wu stopped operating gambling dens and opened a tea store, but his income could not support his brothers. Thus, he became involved in the entertainment business, particularly in the workings of two theaters in Kaohsiung.

According to various accounts, Wu Hao-sung fled Taiwan in 1985 after he became a target of Operation Cleansweep. At that time, Wu was heavily in-

volved in illegal gambling operations. Even though he was not considered to be a *heidao* figure, he was close to many underworld figures, and some of his natal brothers were gangsters. He was also involved in a major arms trafficking case in which the authorities confiscated hundreds of handguns and eventually arrested Wu's two brothers.

In 1986, Wu Hao-sung's name was removed from the authorities' list of *heidao* figures (Chao Mu-sung 1990c). Consequently, he came back to Taiwan from China and decided to run for the National Assembly because he believed the police did not respect local politicians as much as they did national politicians. He lost. But he ran for councilor again and won easily and was elected deputy speaker of Kaohsiung County Council. In 1994, Wu was reelected with the support of the KMT and became speaker of the county council. He was involved in all kinds of vice businesses but never made money because most of his customers would not pay their bills. However, he liked to have face, so he wore an expensive watch and drove a Mercedes Benz. When a reporter asked him why he had so many *heidao* friends, he replied: "It's all about making friends; everyone wants to have as many friends as possible." When asked why he spends money like water, he said: "It's all about face; everyone wants to have face" (Chao Mu-sung 1995: 39).

Three days after Wu's murder, a young man turned himself in, escorted by two national assemblymen and two lawyers. The gunman, Wang Wen-jung, said he killed the speaker because the latter would not allow him to operate his little gambling stall in a park. The police did not buy his story, assuming that there must be powerful figures behind the incident, and that they must be politically involved in some way. Wu was forty-four when he was killed. At the time of his murder, there were seven criminal cases pending against him.

Pingtung

Another county that is considered to be a major symbol of black-gold politics is Pingtung. Many politicians there are either gangsters or closely associated with *heidao* figures. According to Baum (1995: 24):

Those familiar with Pingtung, population 900,000, say they aren't surprised to see local politics blending with gangsters. Bypassed for public spending on most major infrastructure projects except Taiwan's newest nuclear power plant, Pingtung remains an agricultural backwater swimming with criminal rackets. Local journalists describe it as Taiwan's Sicily.

Pingtung brothers are very active in gambling and commercial sex. Before the speaker of the county was arrested for murder in 1994, Pingtung was a major place to go for illegal gambling. The county, because of its remoteness, was an ideal place to operate high-stakes gambling dens. Before 1994, the local police kept a blind eye to gambling activities in the county. According to a *heidao* sub-

ject in Pingtung: "One of the main characteristics of Pingtung brothers is that they tend to be very daring and are eager to use very extreme measures in settling scores. Whenever there is a conflict, they want to settle it once and forever right on the spot."

The one incident that demonstrated the seriousness of black-gold politics was a murder committed by Cheng Tai-chi and his followers in 1994. At the time of the murder, Cheng was the speaker of Pingtung County Council and a rising KMT political star, even though he had completed only junior high school.

Cheng was one of the youngest arrestees during the 1984 Operation Cleansweep. After his release, he became a successful businessman in construction, the KTV business, and the cable television industry. In 1990, in his first try, he won a seat on the county council, and as a new councilor, became the deputy speaker. Later, when the then-speaker ran for the legislature and was elected, Cheng became the youngest speaker in Taiwan at the age of thirty-one. In 1993, he played a key role in helping a KMT candidate win the county commissioner election. In 1994, he was reelected as a councilor and speaker. In the 1994 elections for provincial governor and provincial councilors, Cheng spent NT\$20 million to support the KMT candidates and helped them to win their races with impressive results. Cheng's contribution to the KMT success in Pingtung was acknowledged by the then-president Lee Teng-hui.

Regardless of how good he was with helping the KMT to win major elections, Cheng was out of control in Pingtung (Chen Yung-hen 1995). An editorial in the *Taipei Times* (2000b: 9) depicted Cheng as follows:

He collected protection fees from "special businesses" such as gambling dens, nightclubs, and restaurants offering escort services. His men threatened journalists, beat up councilors who opposed him, and vandalized the offices of newspapers that ran reports critical of him. Everyone was afraid to speak out against him—even the local police chief stayed silent.

On November 1994, Cheng Tai-chi and several followers, all armed with handguns, showed up at the home of Chung Yuan-feng, a *jiaotou* and a major gambling operator, and shot Chung several times in front of his mother. Chung was dead on the spot. A media account (I. Lin 2000d: 3) reported why Cheng committed the murder:

The court found Cheng [Tai-chi] and Chung [Yuan-feng] had formed a partnership to run a casino in Pingtung County, but the relationship quickly soured. Cheng apparently was angered in November 1994, when Chung opened another casino with a different friend and did not pay the speaker the so-called protection fees from the casino's revenue. Later that year, Cheng was again infuriated with Chung after a heated quarrel between a good friend of Chung's and councilor Huang Ching-ping at Cheng's casino. The speaker felt Chung should have stepped in to prevent the fight. Cheng apparently was also spurred

into action against Chung upon learning his friend was planning to kill Huang, who was also close to the speaker.

A police officer in Pingtung told me a long story about the rise and fall of Cheng Tai-chi:

After Cheng became the speaker of Pingtung County Council, nobody dared to challenge him. The reason is because, if a DPP councilman questioned him at the meeting, all he needed to do was give a signal to his followers, and they would drag the troublemaker to the speaker's office and give him a good beating. After the beating, the victim would not say anything ever again after he returned to the chamber. Cheng was also involved in electronic gambling. If the police gave any trouble to his businesses, he would return the favor in the chamber.

Cheng was well known for his two groups: the baseball team and the white-shoe army. The first group consisted of a group of thugs carrying baseball bats. During the elections, the bats were used to deal with unfriendly reporters and competing candidates. The white-shoe army was utilized to maintain order in political rallies.

Cheng killed Chung Yuan-feng because of a gambling-related conflict. Chung was relatively rich, and he had a brother who was a major *jiaotou* in central Taiwan. Another well-known rough guy—Huang Tai-lang—was in charge of Chung's illegal gambling operations.

That night, Cheng was drinking heavily with his followers, including several local representatives. After a heated discussion about Chung's misbehaviors, they went to a KTV owned by Chung and opened fire; about seventeen to eighteen shots were fired. Then they went to Chung's house and shot him in front of his mother. His body was shot so many times that it was like a beehive. Some of the people who were with Cheng did not participate in the killing simply because they were too drunk. Cheng was also quite drunk when he opened fire at Chung.

A Pingtung brother also told me what he knows about Chung Yuan-feng and his relationship with Cheng Tai-chi:

Chung Yuan-feng was a brother from Chaochou Township. After he came out of prison, he became involved in operating gambling dens in Pingtung. His gambling operations were very large. There are several districts in Pingtung, and each district's gambling operations needed to pay Cheng Tai-chi for protection. Chung not only did not pay Cheng for his huge gambling operations, he did not even bother to say hello to Cheng. Worse, he paid another group of people for protection. Of course, Cheng wasn't pleased with Chung. Later, when Cheng and another councilor (Huang Ching-ping) went to gamble at Chung's place, Chung won NT\$5 million and said he quit. That really irritated Huang, leading him to grasp the chips from Chung and continue to gamble. This resulted in the killing of Chung.

In fact, Cheng wasn't drunk that night. I don't think Cheng was so drunk that he didn't know he killed Chung. He believed that even if he shot and killed

Chung in front of Chung's mother, he would not be in trouble. The worst that could happen was to ask a little brother of his to come forward and take all the responsibility. By the time Cheng found out that he was not going to get away with murder, it was too late.

Another Pingtung brother had the following to say about the murder:

Chung Yuan-feng was killed because he relied on Huang Tai-lang for protection but not Cheng Tai-chi. Cheng naturally got quite upset, not because of the income lost, but because of the loss of face. Cheng thought he was more powerful than Huang. In fact, Cheng could be the most powerful in the political arena, but in the underworld, it was Chung Yuan-feng who was the more powerful. Besides this protection thing, one of Cheng's followers, Huang Ching-ping, also had an unpleasant encounter with one of Chung's friends from Taichung. The two were gambling in a Pingtung gambling den when that incident occurred. That's why Cheng decided to kill Chung.

The case was not made public until three days after the murder when a DPP legislator held a news conference and announced it. After Cheng was indicted for the murder, there was a by-election to fill his position. After the deputy speaker Tsai Yu-chang announced his intention to run for speaker, he was shot at; councilors who expressed their support for Tsai were also being assaulted, though none reported the incidents to the police. Both Tsai and the other councilor who was running for speaker, Huang Chang-yuan, had been convicted for vote buying (Lee Chao-nan 1996a).

Cheng was convicted for the murder and executed on August 2, 2000. His trial dragged on for six years—going through four retrials in Taiwan's High Court.

From the above discussions of *heidao* involvement in local politics, it is clear that many *heidao* figures have moved into local politics across Taiwan. The launching of Operation Cleansweep in 1984 and the subsequent release, years later, of *heidao* figures who then ran for public offices to aid and abet their criminal activities have transformed local politics in Taiwan into an arena where only the "very brave" dare go. "First brother, then councilor" has become a predictable career path for many ambitious people.

The Legislative Yuan

Even though many *heidao* figures in central and southern Taiwan are entering politics at an alarming rate, the appearance of *heidao* figures in the country's highest lawmaking body—the Legislative Yuan—is what makes people, especially in Taipei, uncomfortable. The legislature is the place where laws are made, and it is the watchdog of the Executive Yuan, the administrative body that is in charge of all the central government institutions.¹²

Taiwan elected a new Legislative Yuan in December 1992. The last time the entire legislature had been elected was 1947. According to Wachman (1994: 213):

Of the total 161 seats to be filled, only 125 seats were to be selected at the ballot box. Another 36 were apportioned to the parties according to a formula that was based on the total number of candidates associated with the party ticket who were elected. Ultimately, 403 candidates stood for election. The campaign was noteworthy for the great number of wealthy tycoons who plied a crude breed of money politics in an effort to take national political power on behalf of family factions rather than as genuine representatives of the party. In the end, 46 candidates ran under the KMT banner without approval from the party.

In the 1992 election, a few local *heidao* politicians and those who were closely affiliated with gangsters ran for the legislature and won. In the 1996 election, still more *heidao* figures entered the national political arena. By 1999, according to a DPP legislator who is considered to be one of the most outspoken against *heidao* figures in the Legislature Yuan:

There are five members of the parliament who are *heidao* big brothers, and there are about seven who are neither *heidao* nor *baidao* but what we called *huidao* (the gray way). Thus, you can say that about 5–10 percent of the legislators are either *heidao* figures or closely related to *heidao* people.

Because of the numerous *heidao* figures and business tycoons in the parliament and the fierce competition between legislators of the KMT and the DPP, the legislature has turned into a “killing field” where bloody physical fights among legislators in three-piece suits have turned the body into a laughing stock in the eyes of the world community. According to Tien (1996: 21):

The Legislative Yuan, which served only as rubber stamp during the previous authoritarian era, is becoming a true law-making body and important policy forum. Unfortunately, it lacks procedural efficiency, and existing floor organizations such as party groups and legislative committees have been incapable of managing the deliberation of bills. As a result, the legislative process has been marred by shouting matches and even physical confrontation. The chamber has yet to establish institutionalized leadership with credibility and respect.

In fact, the Legislative Yuan has always been a place where people from diverse backgrounds go to find someone to help them solve their problems with government agencies. The kinds of lobbying efforts asked by people include a wide variety of issues, from allocating a bed in a hospital to seeking employment in a government agency. Among the legislators, Liao Fu-pen is considered to be the epitome of the lobbying culture by institutionalizing and marketing it in its purest form. He is willing to lobby for anybody for any request, as long as the other party is willing to pay him a certain amount of money as a “service fee.” No wonder Liao’s nickname is “Hung-pao Pen” or “Red Envelope Pen.”¹³

Lin Ming-yi

The first brother who entered the Legislative Yuan was Lin Ming-yi, from Yunlin. His presence in the legislature and his role as an “enforcer” of the KMT led to the first *heidao*-involved altercation between the KMT and the DPP. When Lin and another KMT legislator participated in a power struggle with a group of DPP legislators, a number of major *heidao* figures—including Lo Fu-chu of the Celestial Alliance (who became a legislator later), Tsai Kuan-lun and Chao Ching-hua of the Four Seas, and Wang Ji-chang of the Pine Union—showed up with a group of brothers in front of the Legislative Yuan and started a brawl with a group of DPP supporters. Another legislator with *heidao* background—Shi Tai-sen (KMT)—was also involved in the conflict. According to Chu Yang (1993: 30):

There were two groups of people outside the Legislative Yuan squaring off. One group, mostly from the south, was the supporters of the DPP, especially its members Chen Shui-bian [the incumbent president of Taiwan] and Su Huan-ji. The other group belonged to the KMT camp, particularly Han Kuo-yu and Lin Ming-yi. That's because just a few days before, another fight had broken out in the Legislative Yuan: Hun Yu-ching of the KMT was attacked with a cell phone by the DPP's Hsu Kuo-tai, and Chen Shui-bian was assaulted by Han Kuo-yu. Hsieh Chang-tin, a DPP member [now the mayor of Kaohsiung and the chair of the DPP], was also involved.

Chen's people were mostly from Tainan. Han's people were mainly from Yunlin because his father-in-law was a councilor of Yunlin County; Lin came out of Yunlin, so there were also many supporters of his from that county. The KMT supporters also included a variety of people from Taipei, including leaders and members of the Celestial Alliance, the Four Seas, the Bamboo United, and the Pine Union, residents from military communities, retired soldiers, and those who were against Taiwan independence. The well-known Celestial Alliance leader Lo Fu-chu was right there in the frontline to support Han Kuo-yu and Lin Ming-yi. His little brothers were all young and strong, and they formed groups in ten. Everybody wore a black suit and carried a mobile phone, and they resembled “an intimidating army.”

After the now-famous fight in front of the legislature, the DPP was in a way “defeated” by the KMT legislators with the help of a group of big brothers. What is the implication of this fight outside the Legislative Yuan? The KMT legislators had often been intimidated by the minority, but aggressive, DPP within the chamber for a long time, and this fight convinced the KMT legislators that it was time to return the favor, even if they had to seek help from *heidao* figures.

In the aftermath of the altercation, the KMT might have decided that Lo Fu-chu of the Celestial Alliance belonged in the Legislative Yuan. Why not bring the man into the legislature instead of having him fight from the outside? The same is true with the Provincial Assembly. The KMT also relied on Hsieh Yen-hsin, the so-called underground speaker, to make sure that the DPP assemblymen did not act out in the National Assembly.

According to an MJIB agent:

As a KMT legislator with *heidao* background, Lin Ming-yi did work very hard to bleach himself; however, he could not completely rid himself of his *heidao* affiliation. For example, he only had a few assistants in the Legislative Yuan, and he rarely talked to them. He had another group of “assistants” under his control, and they were hoodlums from Yunlin. These “assistants” were closest to him. It was almost impossible for him to completely dissociate from these brothers mainly because if he wanted to run again for a seat in the legislature, he needed the support of these brothers. He can forget about being reelected if he doesn’t have the support of Yunlin brothers. That’s his dilemma.

Lin Ming-yi told me how he began to get involved in local politics and, subsequently, national politics.

My parents were in the bamboo-shoots business, and you can say I came from a relatively wealthy family. When I was young, I liked to make friends with people from all walks, and I often ate and drank with my friends in curbside food stalls. Because I had friends all over Taiwan, many people would come to me for help, especially if their problems were outside of Yunlin. For example, if a Yunlin businessman in Tainan City was extorted or victimized by hoodlums from that city, he would ask me for help. All I needed to do was make a phone call to Tainan and his problem would be solved.

As time passed, a group of laborers in Yunlin urged me to run for councilor. At that time, I was only twenty-three. I said “Don’t treat me like a fool. How could I, a man who is almost illiterate, be a councilor?” When I was twenty-seven, again people encouraged me, but I said no. Not until I reached the age of thirty did I realize how important it was to be a councilor, and that’s when I decided to run for public office. At that time, my friends and I were occasionally harassed by the police, and I thought if I became a councilor, they wouldn’t dare come after me for no reason. I was elected the first time I ran for office.

At the very beginning, I did not have any political ideals. After I was reelected, I began to think politics could be quite meaningful. I also began to shine in the county council, especially taking care of those councilors who knew only how to create problems. I was particularly upset to see some councilors humiliating local administrators in the council for no reason. I did what I had to do to make sure that these councilors restrained themselves. Democracy is essentially a kind of mutual respect; we [councilors] need to respect the government officials, and they, in turn, should respect us.

Later, Commissioner Liao [Chuan-yu] [of Yunlin County] told me he wanted me to run for the legislature, and I replied: “Don’t play with me!” I did not take him seriously the first time he mentioned that, but the next time, he sat down with me and told me that he was very serious about that. Under his encouragement, I did run for the legislature and got elected.

I never give much attention to my own personal interests. I always consider public interests as the utmost priority. Nor do I care about competing with others for profits, and I always say what is on my mind and do what I think is

the right thing to do. I am really surprised that the media often labeled me as a big brother legislator. I have no choice but to tell my colleagues in the legislature that the entire legislature had only one hooligan and that is me. In fact, if I am not a good man, then there are no good men in this world.

Shi Tai-sen

Another legislator with *heidao* background is Shi Tai-sen. Shi ran for Tainan City Council in 1977 and 1981 and lost both times. He was eventually elected as city councilor on his third try in 1989. During Operation Cleansweep, Shi was arrested as a chronic hoodlum (Ker Su-len 1989b). In the 1992 legislative election, he was elected along with Lin Ming-yi and later became the chair of the KMT caucus in the Legislative Yuan. Shi is also alleged to be a Green Gang member. According to a Green Gang member who is very familiar with Shi Tai-sen's life:

Let me tell you about Shi Tai-sen. He came out of a military personnel village, and he was often involved in fighting. When he knew he was about to be arrested by the police and sent to prison, he went into the military. After he came out of the military, he became more knowledgeable about fighting and also knew how to organize his followers into a group. Later, he controlled the railway station terminal of Kaohsiung, and his little brothers were involved in helping taxi drivers find customers for their return trips to outside of Kaohsiung. He wouldn't take money from his little brothers, but his brothers had to help him if he needed muscle. He supported himself by doing business on his own. Later, when the construction industry in Taiwan became a booming business, he was able to get some business from construction companies, like installing water and electricity. Soon, he himself became a contractor, and that gave him an opportunity to associate with people in the business community.

After he made money, he ran for city councilman, and many businessmen supported him. Of course, he had to spend his own money, too. Once he was elected, there were more opportunities for him to make money by monopolizing certain businesses, and after that, it was only natural for him to climb higher by running for legislator. As a legislator, he represented the KMT in the Legislative Yuan in-fighting. Other legislators knew his rough background, and they didn't dare physically challenge him.

After serving his first term, Shi lost his seat in the 1996 legislative election. According to a DPP legislator:

Shi Tai-sen lost the reelection because he wasn't considered a follower of the KMT. He also got into some arguments with President Lee [Teng-hui]. When he ran for the second term, the KMT initially refused to nominate him. Even though he was nominated by the KMT later, Shi told me the KMT did not really support him with any resources. Of course, the KMT also took into consideration Shi's *heidao* background during the nomination and election process.

Lo Fu-chu

The most notable *heidao* figure in the Legislative Yuan is without doubt Lo Fu-chu, the self-admitted spiritual leader of the Celestial Alliance gang. Lo is not only the head of one of the three most powerful organized gangs in Taiwan, but he is also one of the richest men on the island. Lo's two sons are also very successful politicians: One is a legislator and the other is a member of the National Assembly. However, Lo is most likely seen as the *heidao* legislator who almost always has a role in all the barroom-style brawls that have occurred in the chamber.

Lo was detained for more than three years during Operation Cleansweep, and after his release, he became the leader of the newly formed Celestial Alliance. During Operation Thunderbolt, he was again selected by Hau Pei-tsun (the then-prime minister) as the main target, so Lo fled Taiwan. While he was on the run, his two sons were elected to public office: One, as Shin Tien City's municipal council chair, and the other, as a national assemblyman.

After Lo returned to Taiwan in 1992, he became a successful entrepreneur in the real estate and construction businesses. He also is alleged to have made a fortune from illegal gambling operations. In 1996, he ran for the legislature and won. According to a MJIB investigator:

After Lo Fu-chu was elected to the legislature, everybody wanted to see how he would act in the legislature. I can vividly remember when he stepped onto the podium for the first time. He acted and talked unmistakably like a big brother, although he did consciously try to behave like a legislator. You can sense that he is a forceful figure who won't easily back down.

Even though the media and the public view Lo as a mafia figure, some of the subjects and brothers I spoke with, including members of the Celestial Alliance, were reluctant to see Lo as a true brother. From an independent legislator whom I interviewed:

Lo Fu-chu is not an influential *heidao* figure. Many real *heidao* people look down on him because he relied on gambling to establish his fortune, not a real fighter. That's why Lo can't do much to revenge the killing of his own brother by a *heidao* figure.

According to a man who used to work for Lo:

Lo Fu-chu's world is a very complicated one indeed. If you can survive in his world, you can survive anywhere. He's got to deal with both types of people: the cultured and the violent. And he also has to deal with a large number of groups, which are situated on a horizontal line. These groups do not follow one another's orders, and they are not only in conflict occasionally, but also fight very hard to get the attention of Lo. Lo is the ultimate boss. While I was

working for him, I spent 70 percent of my time dealing with interpersonal relationships and only 30 percent of my time actually working.

Lo did not know how to speak in public. Maybe he has improved since. He can talk with you in private, but he's really reluctant to make public speeches. But he's very good at interpersonal relationships. He knows a lot of powerful people, and he is really good at getting what he wants from you by finding and convincing someone you respect to talk to you. He rarely asks the person a favor himself.

In the legislature, he's basically a pro-KMT legislator [even though he is an independent]. He's doing this mainly to benefit himself. His Nonparty Alliance plays a decisive role in the congress. Whichever group his organization supports normally gets away with what it wants. He's a very talented man, and he's very calm and quiet. His most incredible talent is playing the role of an arbitrator—a role that most gang leaders are very good at. That's their natural role. Whenever he gets involved in arbitration, it's swift and efficient. He basically gets the job done.

When Lo decided to run for the legislature, he did think that that might be a good way to protect himself from law enforcement authorities. After he became a legislator, he became convinced that he's better protected under the umbrella of the congress.

A DPP legislator, one of the few nemeses of Lo in the legislature, told me:

Lo is more KMT than KMT members. Actually, he is a KMT enforcer in the parliament. He can be verbally and physically violent. Lo is so supportive of the KMT in the legislature, the KMT rewarded him by helping him to get elected as chair of several important committees that are in charge of construction, transportation, and other businesses where the big money is. The KMT once even allowed him to become the cochair of the judiciary committee. It was really a joke; allowing a person like Lo to be the equal of the Minister of Justice or even questioning the minister on judicial affairs.¹⁴ Lo Fu-chu threatened me several times. I am the only one who dared stand up against him in the legislature. Even though many of my colleagues supported me, they wouldn't do it themselves.

Three years later, Lo was again elected by his colleagues to be a convener of the legislature's judicial committee. A journalist of the *Taipei Times* filed the following report:

Suspected gangster and independent legislator Lo Fu-chu was elected yesterday as one of the three conveners of the legislature's Judicial Committee, despite widespread protests. Lo received the support of KMT legislators. . . "I cannot bear to see the president of the Judicial Yuan, Weng Yueh-sheng, and Minister of Justice, Chen Ding-nan, taking a bow before [Lo] when they attend the committee," said DPP legislator Tsai Ming-shian. . . . He also said that former Minister of Justice Liao Cheng-hao refused to attend meetings of the Judicial Committee two years ago because he had to bow before Lo, who was a member of the committee at the time.¹⁵ (Huang 2000: 3)

Whenever Lo is accused as a *heidao* lawmaker, he will go on the defensive and claim that there is no evidence to show that he is involved in any illegal activity. Once when he was asked about his *heidao* background, he replied: "When they need my help, I am a legislator; when there's nothing happening, I am a *heidao* figure" (*Scoop Weekly* 1998: 134). On another occasion, he said: "My night is brighter than the day of those who say I am a gangster." Lo also said the following when he was criticized for being a convener of the legislature's judicial committee: "I did not steal my post as legislator, and the media are not being fair with me. How could you all treat me like a mafioso without evidence?" (Huang 2000: 3).

Regardless of how he has been depicted in the media, like some of the mafia figures in the United States, Lo is very good at establishing a good relationship with people in his community. In the Shin Tien area, he organized an elderly association, and he donates money generously to the elderly, who are very grateful of his charity work. When it comes election time, of course, they are going to vote for Lo.

Only a few months after Chen Shui-bian (DPP) became the first non-KMT president in May 2000, there was an attempt in the KMT-dominated legislature to impeach Chen for his decision to abolish a billion-dollar nuclear power plant construction project. When the KMT and the DPP legislators were involved in a big controversy over the impeachment of Chen, it became apparent that the one person who could decide the outcome was Lo Fu-chu because he was in control of the few swing votes in the legislature. According to a news article in the *Washington Post*:

He [Lo] was once accused of ordering a critic stripped to his shorts and left in a locked dog cage on the outskirts of town. . . . Since his election five years ago, Lo has been at the center of several brawls on the legislative floor, once allegedly swinging an aluminum bar at foes. Some have accused him of buying votes, and Lo himself has said he is the "spiritual leader" of the Heavenly Path Alliance [Celestial Alliance], an organization notorious for loan-sharking, gambling, and sex-trade operations. . . . "If the Democratic Progressive Party must rely on Lo Fu-chu to stay in political power, then we prefer not to have power," Wu Nei-ren, the party's secretary general, declared in a newspaper interview a few days ago . . . [Lo said] "I've told all the legislative members that they're most welcome to raise any criminal evidence against me. But after five years, none have ever come up with any evidence," he said, sipping a cup of coffee. "My conscience is clear." . . . Asked about his frequent fisticuffs in the legislature, Lo replied: "When I beat people up, it's because I'm trying to get legislation approved." (Pan 2000: A20)

Besides the Legislative Yuan, there are two more national elected bodies in Taiwan: the National Assembly and the Provincial Assembly. The 334-seat National Assembly—dominated by the KMT—exists in parallel with the 225-member Legislative Yuan, which makes laws and supervises the administration.

The assembly was previously responsible for electing the president and vice president until 1996, when polls to these posts were opened to the public. Despite the reform, the body is still charged with powers to amend the nation's constitution, as well as to confirm such appointees as the grand justices. KMT deputies of the assem-

bly are often accused of being an extended arm of the party's electoral machine.

Some observers suggest that the penetration of gangsters into the National Assembly and the Provincial Assembly is as serious as their presence in the Legislative Yuan. A member of the National Assembly, a *heidao* figure, was once dubbed the underground speaker of the elected body. Tsai Yung-chang, a national assemblyman from Yunlin, was arrested during Operation Chih-ping for being a gangster. Another national assemblyman from Changhua, Hsieh Tong-sung, was alleged to be the mastermind behind a murder of a *heidao* figure.

Conclusion

This chapter looked into the lives and careers of well-known *heidao* politicians in Taiwan, both on the local and national levels. According to Chen Dung-sheng, a sociologist at National Taiwan University, there are more mob representatives at the local rather than the central level, but the harm done by those in the central legislature is far greater than that done by local representatives. The reason is because *heidao* politicians in the central legislature are the ones who make laws that affect the entire island and regulate the highest administrative body of Taiwan—the Executive Yuan. Yet the legislature in Taiwan is essentially controlled by a small number of *heidao* or *huidao* figures. According to a DPP legislator: “A few big brother legislators play a decisive role in the Legislative Yuan. Normally, whether a provision is passed or not depends on a few votes, especially when the DPP and NP collaborate to fight against the KMT.” The penetration of *heidao* figures into the legislature, coupled with the majority of the legislators’ inability or unwillingness to serve as responsible and professional lawmakers, has undermined the progress of Taiwan into a well-developed nation. According to Lee (2000: 8):

Taiwan’s legislative culture is virtually a miniature version of its “black-gold” political culture. Lobbying for government procurement or construction contracts and personnel appointments is a full-time job for legislative representatives, while reviewing bills and supervising the government have been reduced to a part-time job or just a means to accomplish their personal interests. Therefore, it is commonplace for legislators to retaliate for failed lobbying attempts by deliberately boycotting bills and budgets. Worst-case scenarios include abusively lambasting officials during interpellations or making false accusations of bribe-taking or other offenses. Officials bear the insults in silence for the sake of keeping peace and harmony between the executive and legislative organs. ~

The editor of the *Taipei Times* (2000a: 9) also concluded that:

Organized crime exists in a great many countries. But not even Italy’s mafia dares to run openly in elections—preferring to manipulate politicians from behind the scenes. In Taiwan, however, gangsters become big brothers in both central and local elected assemblies from township councils to the Legislative Yuan itself—a major insult for any democracy.

6

The Development and Impact of Black-Gold Politics

According to Chen Dung-sheng (1999), a sociologist at the National Taiwan University, of the 30 major crime groups located outside the cities of Taipei and Kaohsiung, 23 groups (or 66.7 percent) have members or relatives serving as elected deputies. Many government officials and journalists in Taiwan have also pointed out that the percentage of elected officials with an organized crime background is alarmingly high and that many local governments and assemblies are basically controlled by gangsters. In this chapter, I will examine the historical, political, and social context of the development of black-gold politics in Taiwan, the reasons why so many big brothers entered politics with such great success, and the impact of black-gold politics on Taiwan. I will also discuss the development of a symbiosis that blurred the distinction between gangsters, business tycoons, and politicians. This chapter concludes with a discussion about the phrase “black-gold politics” and how it has become an all-encompassing term that politicians now use to destroy their rivals.

Before the mid-1980s, although elections were held for certain local positions and for the Taiwan Provincial Assembly, none of these offices had significant political power. According to Wachman (1994: 202); “Real power remained in the hands of the KMT and the central organs of the government, for which competition was restricted. Even in those elections where competition was possible, the KMT was exceptionally well organized for getting out the vote and was quite adept at cultivating the loyalty of supporters by the judicious distribution of tangible benefits.” The political system at that time was essentially a patron–client relationship, a system in which:

... the patron politicians offer material and nonmaterial goods to the client supporters. The material interests usually include employment, governmental contracts, loans from financial institutions, and immunity from legal indictment. Nonmaterial interests include social prestige and the sense of connection with the center. In return for these benefits, the clients offer patron politicians political support in elections. (Wu 1987: 15)

After the mid-1980s, with the abolishment of martial law in 1987 and the opening up of popular elections for all levels of public service in 1989, the emergence of the DPP as a powerful party that rivaled the KMT, as well as the development of a renegade faction within its own ranks, forced KMT leaders to think about new ways to maintain their dominant position. Many observers (Chen Ming-tong 1995; Hwang Kwang-kuo 1997; Rigger 1999) believe that the above factors played a major role in the development of a mentality among KMT leaders that winning elections was all-important; how a KMT candidate won an election did not really matter. The end result—victory at the polls—justified the means.

Historical, Political, and Social Context

Gang involvement in Taiwan politics can be divided into two stages: before and after 1984. The year 1984 is important because it was when the authorities in Taiwan launched a major antigang program called Operation Cleansweep. Ironically, this drastic law enforcement measure is believed to have had the unintended consequence of forcing underworld figures to enter politics after returning to society following their three-year prison terms.

Pre-1984

Before Operation Cleansweep, a small number of gang and *jiaotou* members were reported to have been deeply involved in politics. Two influential underworld figures, Tsai Jin-tu and Hsui Hai-ching, served as members of the Taipei City Council in the early 1950s. Of the thousands of gangsters arrested during Operation Cleansweep, a number of them had been local officials or representatives (Chi Chung-shien 1985). According to a former chief of the National Police Administration (NPA):

In the past [before 1950], criminal groups were active only within their own territories. They preyed on those who lived and worked within their sphere of influence, which was normally very small. Once in a while, two neighboring groups might get involved in bloody conflicts. However, with the adoption of local elections in 1951, gangsters all of a sudden expanded their influence outside of their own turfs because of their ability to get votes for political candidates. They became major vote-getters during local elections.

During the initial stage of the interaction between local politicians and *heidao* figures, it was unlikely that the former, who were mostly highly regarded professionals such as medical doctors and schoolteachers, would be exploited by the latter (Lee Hsiao-fung 1993 [1986]). However, as more and more so-called “golden oxen,” or wealthy businessmen, entered local politics, the relationship between candidates and vote-brokers was based on monetary rewards rather than respect (Jin Shi 1989). An

agent with the MJIB, in discussing the changing relationship between political candidates and their vote-getters, said that:

Many *jiaotou* groups or local factions evolved in southern Taiwan because they took an important role in maintaining social order during normal times and exerting influence during local elections. Most wealthy people are associated with local hoodlums because they need protection. When these wealthy people turn to politics, they use those affiliated hoodlums as vote-getters. I mean, these hoodlums are already parasites on the rich people, and from the rich people's viewpoint, they might as well use these hoodlums to make sure they got elected.

In general, underworld figures played the following roles in helping their candidates win elections (Jin Shi 1989):

1. *Bu juan*, or establishing a vote base. If a *jiaotou* agrees to help a particular candidate, his territory becomes part of the candidate's vote base. The *jiaotou* then recruits pillars for the candidate.

2. *Fu ja*, or guarding the candidate. A *jiaotou* and his followers will work as bodyguards for the candidate and will make sure that the audience applauds when the candidate delivers a speech.

3. *Jen piao*, or monitoring the vote. The gangsters will make sure that the voters who had been bribed to vote for their candidate did, in fact, do so. If not, they will get the money back for the candidate.

In addition to the above-mentioned contributions, a Bamboo United leader explained how his gang helped a New Party candidate in the 1994 election for office of mayor of Taipei City:

We formed a drum unit, along with a group of people who would do the traditional dragon and lion dance. We exploded firecrackers wherever the candidate went, and followed him in a motorcade that contained dozens of cars. Our little brothers protected the entourage. You have to understand that elections in Taiwan are extremely fierce. Many areas are under the total control of the KMT or DPP. Ordinary people do not dare go into these areas to campaign because they could be verbally abused, or have water poured on them, or, worse, be beaten up. Take Wanghua [a district in Taipei County] for example. It is a very complicated area with dozens of *jiaotou* groups. Most campaign workers are afraid of this type of area, but if brothers protect them, they will go. Some brothers there are supportive of the DPP, but they all know us, and that's why when they see us coming into their territories to campaign, they'll say: "These are our own; don't bother them." That was the main reason why when we protected a candidate, his campaign workers were not afraid of campaigning anywhere.

At that time, many *heidao* members were willing to assist political candidates because, according to Lu Jin-rung (1985: 28):

Most arrested hooligans would ask elected deputies or township executives to pressure the police to release them. Many gangsters campaigned for candidates, anticipating that these people, after elected, would patronize the gangsters' vice businesses and also protect them from the police. Besides, gangsters normally do not have any occupation, and they have all the time in the world to build up their relationships with people around them. Even though most people are unwilling to be affiliated with gangsters, they are also afraid of not voting for the candidate these gangsters support. That is why gangsters play a major role in determining the outcome of elections.

A *jiaotou* from Kaohsiung suggested that *heidao* people are willing to help political candidates not only because they are trying to return favors to those politicians who have helped them, but also to pave the way for their own run for public office. That is why many gangsters refuse to take money from the candidate they help and may even spend their own in order to buy votes for the candidate. Regardless of their reasons for campaigning for certain candidates, the decisive role gangsters play in local elections led a former DPP legislator to conclude that: "In Taiwan, you do not have to be well educated to win a political campaign. All you need is *heidao* support."

Post-1984

Law enforcement authorities and journalists in Taiwan are convinced that the penetration into politics by gangsters became a major problem only after underworld figures began to run for, and get elected to, public office in the aftermath of Operation Cleansweep. Most would say that *heidao* people made a concerted effort to become elected officials for two reasons: self-protection and money.

Self-protection

According to Chu Kao-jen (1997: 98), mobsters developed an interest in running for public office only after spending a few years in prison with political opponents of the KMT:

During the period of the KMT's regime, imprisonment was an effective way for them to suppress political enemies. Candidates who were critical of the KMT in their campaign speeches knew that "if you win, you are safe; if you lose, you go to prison." That is, if non-KMT candidates win the election, not only can they protect themselves and their families, but they also can continue their struggle against the KMT in the parliament or local councils. However, if they lose, they could be sent to Green Island as "chronic hooligans" who need reform. The non-KMT politicians who spent time at Green Island helped the gangsters there realize that there is not much the KMT can do to you if you are a political opponent, as long as you have enough votes to win and become an elected deputy.

Many *heidao* leaders also expressed their disappointment with politicians whom they have helped. A brother told me:

I once helped a DPP get elected as mayor of a city. He was a lawyer who had helped one of my brothers in a criminal trial. He did a good job and so I was willing to help him. Not only did I make no money from helping him, I even donated a small amount of money to his campaign. When he was running for the post, he came all the way from Taiwan to Changan [a city near Shenzhen, China, where a large number of Taiwanese businessmen and brothers live] to seek help from me. I mobilized my acquaintances back in Taiwan to help him win the election. After he became mayor, he changed completely and began to dissociate himself from me. I feel like he exploited me.

A Bamboo United leader who is doing business in Shanghai said:

Heidao figures' participation in politics is the direct result of Operation Cleansweep. Many big brothers were extremely successful in campaigning for other people, but when they were arrested during Operation Cleansweep, those elected deputies whom they had helped in the past did nothing to help them. Therefore, after these big brothers came out of prison, they decided to become elected deputies themselves. They were confident that, if they could help other people get elected, it would be relatively easy to get elected themselves.

Years ago, Wu Hao-sung, a vice speaker of Kaohsiung County with a long criminal record who was gunned down in 1995, told a journalist why he ran for public office (Chao Mu-sung 1990a: 48):

Before I became an elected official, one of my little [natal] brothers made friends with *heidao* people, and he got in trouble with the police. We went to seek help from local politicians, but some of them were quite arrogant, unlike the time when they were trying to get our votes. Once they get elected, they have status and become very difficult to approach. My friends in the Kangshan area asked me why I didn't run for office myself, in view of the fact that we often seek help from local politicians, and they are always so hard to deal with. Why not run for office myself? If we can get votes, we can become representatives. I got myself into politics under these circumstances.

A Taichung brother who became an elected representative told a reporter what it meant to be a local politician (Len Ji-chung 1994: 45):

Honestly, to be a representative means a lot. Before being elected, when I had run-ins with the police, I would be at a disadvantage. Now, I am equal to the county police chief, and there is no way of knowing who should be afraid of whom. But don't quote me on this.

One of the shady councilors I interviewed in Chiayi County said: "I became an elected deputy mainly to protect myself from law enforcement authorities,

nothing else. If not for self-protection, who wants to be an elected deputy?" Another councilor from Chiayi City concurred: "Why run for public office? It's simple: for self-protection. It's like acquiring a protective umbrella for yourself."

Money

To run for public office, *heidao* people, like other non-*heidao* candidates, need to spend a large amount of money. One of the reasons why so many people are willing to pay such a hefty price to be elected is because, along with the political power, there comes the opportunity to make money. As an elected deputy, a person not only collects a relatively decent monthly salary, but also receives huge payments for working as pillars during elections. For example, village chiefs are major pillars in city and county councilor elections, and city and county councilors are key vote getters in city and county mayoral races. City and county mayors will, in turn, work as vital vote brokers in national elections. Thus, almost every elected deputy is in a position to make money working as a pillar.

It is an open secret in Taiwan that local elected deputies are empowered to disburse a certain portion of the construction money allotted to local governments by the central government. Local politicians select contractors with the understanding that the contractor would then kick back 20 percent of the construction budget to them. A scholar at the Academia Sinica explained why a large number of gangsters entered politics in the 1980s:

Heidao participation in politics has nothing to do with self-protection. It's all about material rewards. Before the 1980s, there was not much money from the central government for local construction; if there were funds, local governments would have to come up with matching funds. That's why *heidao* figures could only rely on gambling, prostitution, and extortion to survive. By the early 1980s, with the launching of numerous major construction projects, funds from the central government began to increase exponentially. That's when everybody, including *heidao* people, began to focus on how to get a share of this big pie.

Why Did the KMT Cooperate?

One of the major issues surrounding the development of black-gold politics in Taiwan has to do with the question of why the KMT allowed so many *heidao* figures to enter politics. On this issue, there are several points of view.

One of the most common answers to the question is that the KMT, desperate to hold onto power under internal and external pressures, had no choice but to accept politicians with dubious backgrounds as long as these politicians were willing to identify with the KMT and had the money and power to be elected. Under the motto of "winning is everything" in local and national elections, the KMT conscientiously and systematically recruited a large number of local and national politicians who were underworld figures, greedy businessmen, and self-

serving local faction leaders. If a person did not have the money to finance his or her campaign and was not influential enough to garner enough votes to win, the KMT would simply not nominate the person regardless of how qualified he or she was in terms of education, talent, and public image.

From the KMT viewpoint, their affiliation with *heidao* figures was being forced on them by DPP members who themselves in the past had often used underworld figures to harass KMT candidates during political debates and rallies. In the opinion of Wang Jing-so (1997: 5), a political scientist: "In the past, KMT candidates were often unable to deliver their speeches, or even unable to get to the podium, because of harassment by DPP supporters. That's why *heidao* members were recruited by KMT candidates to 'maintain' order at KMT political rallies."

Wu Tse-yuan,¹ a former KMT member and now an independent legislator who is often considered a symbol of black-gold politics, suggested that pressure from the political opposition brought gangsters into the political process:

I came to realize that there were the so-called "white-shoe army" and "baseball club" only after the election. What you need to know is that the DPP also hired hooligans to disturb their opponents' speeches in public. You go ask Tseng Yung-chuan [a KMT member], and he will tell you all about this. When he ran for commissioner [of Pingtung County], he couldn't utter a word after he stepped up to the podium to speak. There was always a group of about twenty hooligans yelling and chanting; they would not allow Tseng to open his mouth. The same thing happened to me in my campaign. That's why when the DPP accuses other candidates of using a "white-shoe army," they should also look in the mirror and see what they themselves are all about.²

In the 1990s, as the competition between the KMT and the DPP became all the more intense in local elections, the KMT not only needed hoodlums to support its candidates, but it also wanted influential *jiaotou* leaders to occupy as many political seats as possible in the hope that this would reduce the influence of the DPP in local assemblies. An officer at the KMT headquarters in Taipei put this clearly:

We have our own concerns. We don't want to nominate anyone with a *heidao* background. However, if we nominate a person with a very good image but not much public support, then what? That's why we first have to evaluate who is more likely to win, and not just worry about his or her prior criminal records. Why did we want Tsai Sung-hsiung to join the KMT after he was elected vice speaker [of the Kaohsiung City Council], even though he was alleged to be a *heidao* figure? Because the mayor of the city now belongs to the DPP, and if we don't have any influence in the city council, then we are almost out of the political picture in Kaohsiung. The reason why the KMT is still able to maintain a strong influence in local politics is because we know how to operate. We have to be realistic, and we have to make sure we win the various local elections.

The dilemma of the KMT is obvious if we consider the likely possibility that a powerful *heidao* figure running for public office may be rejected by the KMT and yet eventually win the election by a landslide by campaigning as a maverick, or outsider. To avoid such embarrassment, the KMT would simply embrace the *heidao* candidate and not take the risk of creating a political opponent who might become a supporter of the DPP or, worse, join the DPP.

A mass communications professor who is an ardent supporter of the KMT rationalized why it is important for the KMT not to be too particular in selecting whom to be associated with, however distasteful:

Fish cannot survive in clear water. The KMT is a popular political party and, as such, it has to be inclusive, meaning that it has to be able to tolerate all kinds of people and groups. It can't exclude certain people or groups simply because they are *heidao* or involved in unconventional activities.

When a local KMT official was asked why his party nominated a gangster with a murder conviction to run for vice chair of a city council, he claimed without any qualms that:

The village he is from is a "difficult" area [meaning the DPP is relatively strong there]. Besides, it is very hard to find a KMT member in that area willing to run against the DPP. After we considered his strengths, we decided to support him. Even if we do not support him, he's going to win anyway.

From the DPP's standpoint, the KMT is simply a desperate political party trying to hold on to power regardless of what it takes to achieve that goal. According to a former DPP legislator: "The KMT is now addicted to using *heidao* in elections. Otherwise, they don't know how to run a campaign."

The link between the KMT and *heidao* figures is inevitable considering the vital role the latter play in vote buying. Chang An-lo, one of the most influential leaders of the Bamboo United, said:

The KMT is naturally not willing to give up its position [as a ruling party]. That's why it will rely on its social and business connections to win elections. Before martial law was lifted, elections in Taiwan were relatively quiet and limited to local offices. After martial law was lifted in 1987, the KMT realized that if it wanted to stay in power, it had to have the support of local factions. To win elections, the KMT candidates needed the support of *heidao* people. Why their support? Let's say, you, Professor Chin, want me, an influential local leader, to help you buy votes. I tell you that my ward has 10,000 votes, and each vote costs NT\$1,000. That means you have to pay me NT\$10 million. I assure you that I will get 60 percent of the vote, and that means 6,000 votes for you. Let's say Lo Fu-chu also decides to run for the same office, and he also asks me for help and will pay me, the head of the ward, NT\$10 million. I will also take money from Lo. Ultimately, I will get the votes for Lo. I will take you

money but I won't work for you. Because if you are unhappy with me, so what? What can you do to me? First of all, you won't go to the police because it is illegal to buy votes. Secondly, you, being a professor, wouldn't dare, nor do you have the ability, to hurt me physically.

In sum, the democratization of Taiwan in the late 1980s had an unintended consequence of forcing a steadily declining ruling party to adopt extreme measures as it tried to remain in power at all costs. As a political party transplanted from the mainland and dominated by mainland Chinese up until the mid-1980s, the KMT needed to "Taiwanize" itself by quickly recruiting a large number of native Taiwanese politicians. The KMT hoped to counter the growing challenge from the indigenous political party, the DPP, which had been encroaching on its power base by winning a significant number of seats in major elections (see Table 6.1 for recent major election results in Taiwan). While facing this daunting challenge from outside the party, the split between two factions within the KMT, and the subsequent establishment in 1993 of a third party—the New Party—by former KMT members, all the more convinced KMT leaders that their alliance with local factions, business tycoons, and gangsters was a necessary evil if they wanted to remain in power.

Heidao Success in Politics

The majority of *heidao* figures, especially native-born Taiwanese, has been relatively successful in running for public office. Many of them won elections on their first try. Moreover, on several occasions, they were elected even though they were on the run from the authorities and were never personally involved in their campaigns. Some *heidao* figures who could not run for themselves because they were in prison asked their family members to run and were elected. There is no question that many *jiaotou* figures in Taiwan are capable of attracting a large number of supporters. The question is, why? Why have so many allegedly violent and vicious underworld figures in Taiwan repeatedly mocked the authorities by entering politics? The authorities theorize that *heidao* figures are successful in political campaigns simply because they have the money and connections to buy votes and the muscle to ensure that people will take their money and vote for them (National Security Bureau 1997). There is no doubt that there is a certain truth to this assertion, but I would also like to examine other factors that might play a role in making *heidao* figures successful in the political arena. Their use of money and violence to attract votes will be discussed later in this chapter.

The Grassroots Personality

Most *heidao* figures possess the kind of personality that enables them to establish a rapport with people in the countryside who are usually poorly educated

Table 6.1

Major ROC Election Results in Recent Years: Percentage of Votes Won by Each Political Party

	KMT	DPP	NP	PFP	TSU	Others
County magistrates and city mayors						
1989	52.67	38.34	—	—	—	8.99
1993	47.47	41.03	3.07	—	—	8.43
1997	42.12	43.32	1.42	—	—	13.14
2001	39.13	39.13	4.35	8.70	—	8.70
Members of Kaohsiung City Council						
1989	62.60	21.00	—	—	—	16.40
1994	46.22	24.91	4.83	—	—	24.04
Kaohsiung City Mayor						
1994	54.46	39.29	3.45	—	—	2.80
1998	48.13	48.71	—	—	—	2.35
Members of Taipei City Council						
1989	69.20	23.40	—	—	—	7.40
1994	39.06	30.12	21.72	—	—	9.10
Taipei City Mayor						
1994	25.89	43.67	30.17	—	—	0.28
1998	51.13	45.90	2.97	—	—	—
Members of Taiwan Provincial Assembly						
1989	62.10	25.60	—	—	—	12.20
1994	49.06	31.67	6.22	—	—	13.02
National Assembly delegates						
1991	71.17	23.94	—	—	—	4.89
1996	49.68	29.93	13.59	—	—	6.80
Legislative Yuan members						
1989	60.10	28.20	—	—	—	11.70
1992	61.67	36.09	—	—	—	2.24
1995	46.07	33.17	12.59	—	—	8.17
1998	46.43	29.56	7.06	—	—	16.95
2001	31.28	36.57	2.86	20.34	8.50	0.45
Presidential election						
1996	54.00	21.13	12.59	—	—	24.87
2000	23.10	39.30	0.13	—	—	37.47

Source: Government Information Office, ROC.

Note: PFP (People First Party) was formed by James Soong after the 2000 presidential election. After Lee Teng-hui was forced out of the KMT after the 2000 presidential election, his supporters split from the KMT and established the TSU (Taiwan Solidarity Union) party.

and lack professional skills. These underworld figures drink and smoke heavily, and they chew betel nuts (a habit looked down on by sophisticated urban dwellers). They also gamble and frequent hostess bars, just like many other people do. More importantly, they speak the kind of language their constituents can understand; they don't dwell much on political ideology.

A taxi driver in Pingtung explained what it takes to be a popular politician:

If a person wants to run for a seat on the local council, it is not easy. He or she needs to have money and connections. Connections have to be established long before the election, and whether a person is good at it depends on his or her personality. In a recent local election, two of my schoolmates decided to run for office. One spent more than NT\$2 million but lost, because he couldn't relate to ordinary people. When he asked me to drive him around during the campaign and help him buy votes or distribute gifts, I did as he asked, but I didn't vote for him. The other schoolmate—the one who is the current chairman of the local council—knows how to deal with people, so I voted for him. A councilor has got to return favors to his constituents; he's got to work for his people and help his people.

That is why a *heidao* figure in Chiayi said: "You won't be elected simply because you are rich. Also, if you are a brother but someone who is a nasty guy, you are not going to be elected either." A senior officer at the Criminal Investigation Bureau (CIB) said: "Most *heidao* elected deputies are very *ahsali* [say and do things on instinct], and they are also extremely good at interacting with people. Otherwise, they would never have become big brothers."

An officer at the KMT headquarters described *heidao* politicians this way:

You can't really view our local politicians from an American perspective or from a scholar's perspective. These are poorly educated, local people. If they were to speak and act like a scholar, they would never be elected. If they don't smoke, don't eat betel nuts, don't curse, don't behave like a farmer or a worker, the voters could not identify with them. They may do and say nasty things to outsiders, but they are very nice to their constituents.

Influence

Heidao figures in Taiwan are good campaigners not only because their personalities are appealing to their constituents, but also because they were relatively influential within their communities long before they ever set foot in local politics. Local people often turn to *jiaotou* figures for help in mediating disputes instead of the authorities, commonly believing the underworld figures to be more effective and fair in settling disputes. In fact, many brothers serve on local mediating committees across the countryside of Taiwan. A DPP politician admitted that "Brothers [who are elected deputies] are much better at solving disputes than we are [elected deputies without *heidao* backgrounds]."

Service

As most voters outside of Taipei City are predominantly elderly people or farmers and laborers with little education and political consciousness, it is highly unlikely that they will judge a candidate by his or her political views or party affiliation. Rather, they vote on the basis of connections that they have with either the candidate or the local party operative who represents the candidate; they view their elected officials as the person who will be empowered to help them with personal problems (Wachman 1994).

A taxi driver in Chiayi had the following to say about his "ideal" local politician: "For me, a good elected deputy is someone who will immediately take care of what I ask him to do. In other words, an outstanding politician is someone who would not put aside my request. I don't care whether he is a brother or not." As a result, most local elected deputies, especially those from the underworld, are extremely conscious of how to best "serve" their constituents, and that means being "good" to them.

According to a brother in Chiayi who is familiar with local politics:

Brothers who become elected representatives are those who like to go around and deal with people. They have to enjoy being busy serving ordinary people. If a well-educated man with a Ph.D. runs for public office, I don't think he will make it—even if he is running for a low-level post—because he won't serve his constituents well, nor does he know how to.

A *jiaotou* who is on the run from authorities told me the following in an interview I conducted in China:

It's only natural that brothers are better elected deputies than scholars. The latter do not have the kind of social experience brothers have, and they are not familiar with the sufferings of the underclass. Brothers are not only well traveled and have an abundance of social experience, they also know what it's like to be down-and-out in this society.

A senior police officer in Taichung concurred suggesting that:

Along the seacoast, especially in Salu, Chingsui, and Taja, there are many elected deputies with a *heidao* background. Of course, these *heidao* politicians are willing to serve their constituents. No matter who approaches them for help, once they promise to help, they will. Even if these *heidao* politicians are heavily involved in gambling operations, sex businesses, bid rigging, and a variety of other illegal activities, most people don't care. As long as *heidao* politicians are helpful to ordinary citizens, people are willing to vote for them.

A former DPP legislator agreed that *heidao* politicians are extremely good at making sure their constituents get what they want:

The *heidao* politicians do not care whether or not their supporters' requests are reasonable and legal; as long as there are requests, they will fulfill them. These *heidao* politicians will do whatever it takes to achieve their goals: bribery, violence, cutting corners, creating scenes, and so forth.

Generosity

Besides the above-mentioned strengths, *heidao* figures are also considered to be quite generous with their money, especially when it comes to helping local communities pave a road, rebuild a temple, or organize other community projects. They also faithfully attend funerals and weddings in their neighborhoods, and perform well when they show up at these occasions.

Chao Mu-sung (1994a: 42), a journalist, observed that *heidao* figures are very good at spending their limited financial resources in ways that would have the maximum impact on voters' decisions during elections. Another way of saying this is that *heidao* are good at "networking":

Nowadays, a political campaign in Taiwan requires a lot of money. *Da kers* [big brothers] want to get involved, but they also have to spend money. However, unlike other politicians, the *da kers* do not spend all their money in vote buying. Their money is mostly spent on establishing relationships with the public through countless dinner parties, or it is given to those little brothers who work extra hard to get their leaders elected. Some of the money is used to repair public buildings. If a *da ker* candidate learns that there is a public building in a remote area that needs to be repaired, he will order the place to be fixed within a few days. This type of campaign activity is very effective with the local people.

Obtaining Construction Funds

Another often-mentioned advantage of having a *heidao* figure as representative is their ability to fight very hard for public construction funds for the districts they represent. According to a scholar at the Academia Sinica: "People vote for *heidao* figures because these gangsters know how to fight for construction funds for their constituents; that's the main reason. The main function of *heidao* representatives is to get construction money from the central government because many people at the local level rely on this type of money to survive."

Another subject, a professor at National Taiwan University who had written extensively on the problem of gang involvement in politics, told me:

For local people, justice, status, and loyalty are all very important. *Heidao* representatives also put a lot of emphasis on these values and that's why they are well liked by local people. *Heidao* deputies do not exploit their own people or get involved in illegal activities within their own jurisdictions. In fact, they are

very aggressive and selfless in fighting for benefits for their constituents, especially in balancing the central government's overemphasis on cities at the expense of rural areas.

Social Injustice

Some *heidao* figures believe that they were able to attract a large number of supporters when they ran for public office mainly because their supporters knew that the authorities were unfairly treating them during major antigang programs. The people expressed their dissatisfaction by voting for the very individuals the authorities labeled as hoodlums or gangsters. According to Chen Chi-li, the highest leader of the Bamboo United, *heidao* figures get elected because many people believe they are victims of an unfair system and that a vote for a *heidao* figure is a vote against the establishment.

In sum, why do *heidao* figures often win elections? According to Chao Yung-mao (1998), it is because they will do the following things to satisfy their constituents: (a) find jobs for them; (b) work as an arbitrator in even the most mundane cases; for example, if a husband hits his wife, the *heidao* politician will order one of his little brothers to beat up the husband (a very effective tactic); (c) *heidao* elected deputies put sentiment above the law; and (d) they also are very aggressive in improving the streets and temples around them.

An influential underworld figure in Chiayi gave me his views on the relationship between *heidao* people and voters in the south:

Voters basically do not care whether a candidate is a brother or not. In fact, it's the voters who drag the brothers out of the underworld to become elected deputies. Let me explain what I mean. You must understand that villagers rarely have contact with the outside world. Even a town mayor may have a hard time dealing with incidents that involve other towns because he might not have the right connections outside his town. That's why the villagers want those brothers who have experience outside their towns. The villagers will say: "You guys don't have to live a difficult life, always running around. All you have to do is come back and serve us." When a brother becomes a representative, he can easily help his constituents solve any problems that are related to people or organizations outside of his own town because he has the experience and right connections. That's why villagers do not care whether the person is a brother or not.

A senior police officer at the CIB thought that there were many ways a *heidao* figure could garner votes for himself if he ever decided to run for public office:

Taiwanese villagers are deeply influenced by their religious beliefs. If a *jiaotou* is able, no matter how, to build or renovate a long-neglected temple, the local people will treat him like a god. I mean, the guy rebuilds the temple for the local community! Besides, the *jiaotous* are probably the best and most reliable arbitrators in Taiwan. Anyone who feels they are being unfairly treated can go

to the *jiaotous*, and they will help the person gain justice. As a result, the voters will most certainly vote for the candidate who was backed by the *jiaotou*. In the next election, if the *jiaotou* is willing to run for office himself, the community people are going to vote for him, even without bribes. The *jiaotous* are normally very kind and nice to the people living in their territories; they are rude and violent only to outsiders. These *jiaotous* will do anything to fight for the good of their own communities, that's why people in their territories, even when they know these are gangsters, still will vote for them.

The prevalence of gangsters in local politics is by no means a phenomenon unique to Taiwan. According to scholars who have studied gang involvement in politics in the United States, there was a time when certain American cities were dominated by politicians with a mob background, and yet these politicians were enormously popular with the voters (Landesco 1968; Finckenaer and Waring 1998).

The Impact of Black-Gold Politics

One of the major issues concerning black-gold politics is how it affects politics, commerce, and criminal justice in Taiwan. Most people in Taiwan, with the exception of brothers, assume that the involvement of a large number of business tycoons and gangsters in both local and national politics has a terrible impact on every aspect of Taiwan's political economy, and if the problem is not checked, it will eventually ruin the country. What are the major problems associated with black-gold politics? How serious is vote buying, campaign violence, official corruption, and the overall degeneration of Taiwan's body politic? These issues are considered below.

Vote Buying

As mentioned earlier, vote buying is rampant in almost all elections; mobsters, along with different levels of politicians working as pillars, play a key role in the process of vote buying.

Vote buying evolved from the custom of candidates giving gifts to potential voters. Nowadays, vote buying is such an open secret in Taiwan that there is a saying: "To win an election, you don't need a master [to teach you how to run a successful campaign]; all you need is money to buy votes" (Chien Hsi-chieh 1999: 1). An officer at the KMT headquarters concurred: "You can say that if a candidate buys votes, he or she still may not win, but if the person does not buy votes, then the candidate is definitely going to lose." A campaign assistant from Kaohsiung County told me: "If you don't buy votes, you definitely can't win, no matter how capable you are or which party you belong to."

One of the most damaging effects black-gold politics has on Taiwan's democracy is the resultant rampant vote-buying practice during elections (Jang Pi-shia 1999). According to Tien (1996: 19):

By the 1980s, many KMT candidates, no longer able to count on reliable party support, resorted to more questionable practices to win elections. Vote buying, gift-giving, and lavish free banquets and trips became widespread. In the 1992 election, vote buying was commonplace, with price tags ranging from NT\$500 to NT\$2,000 per eligible voter. As campaign costs escalated, only wealthy candidates and those capable of raising large sums could compete for public office. This was particularly true of the KMT, whose candidates rarely campaigned on their good image or on ideology.

Chao Yung-mao (1993) estimated that the approximate amount of money a candidate needs to spend depends on which public office he or she is running for:

Village head	0.5 million to 1 million NT dollars
Town council member	1 to 2 million NT dollars
Town magistrate	10 to 20 million NT dollars
County councilor	30 to 80 million NT dollars
Legislator	50 to 120 million NT dollars
County magistrate	150 million NT dollars

Candidates need to spend so much because they not only buy votes but they also have to pay for an incredible amount of campaign material and must provide free meals and other amenities to their supporters as well.

Methods

There are many ways of buying votes. One of the most common methods is the recruitment of *juanjiao* or *tiau-a-ka* (pillars) or vote brokers. According to I. Lin (1999b: 3), a reporter with the *Taipei Times*, it works as follows:

At the initial stage, candidates solicit "wholesale" vote-gatherers, such as heads of townships or leaders of farmers' or fishermen's associations. These wholesalers then use their connections to recruit smaller vote captains. These are often borough or neighborhood wardens, or other local organization leaders. Each of these vote captains is responsible for some 50 to 100 votes. These "retailers" compile lists of target voters that are sent to a campaign center, where names are keyed into a computerized database. The names are cross-checked to make sure that there is no overlapping and that money is not spent on the same voter more than once. Vote buying is rarely uncovered, partly because "retailer" vote captains are very familiar with those who sell their votes, generally neighbors, good friends, and relatives.

An assistant of a DPP county councilor explained why candidates have to rely on pillars to buy votes: "Candidates basically rely on *juanjiao* to win elections. If you don't have *juanjiao*, you don't win. People vote not because they like a certain candidate; they are simply giving face to the *juanjiao* they can relate to."

A senior journalist in southern Taiwan also said: "Voters normally do not vote for a specific candidate; they vote for a particular *juanjiao*."

Because influential pillars are the keys to winning elections, *bujuan*, or the enlistment of pillars, is considered to be the crucial first step in campaigning. According to Wang Jing-so (1997: 29):

In villages, not many people are willing to act as pillars, mainly because not everybody is interested in elections or politics. That's why, when there are a large number of candidates, pillars become important resources these candidates will fight for. As a result, when an election is extremely competitive, a candidate has to come up with a list of reliable pillars as soon as possible; otherwise, most pillars will have been recruited by other candidates. It's very difficult to find pillars at the last minute.

In Taiwan, anybody who can persuade about twenty people to vote for a particular candidate is a potential pillar. Most pillars, however, are local politicians, gang leaders, heads of voluntary associations, large business owners, and people with high social status. Small-time pillars may make a small amount of money, but big-time pillars, who are rich and powerful people, often have to bring out money from their own pockets to buy votes for their candidate. Many major pillars will spend money for a particular candidate because they are: (a) doing a favor for the candidate's campaign manager; (b) giving "face" to a middleman who is working for the candidate in an informal way; or (c) expecting the candidate to return the favor after he or she is elected (Wang Jing-so 1997). That is why many politicians, after being elected, are more concerned with returning favors to their pillars rather than doing what is best for their jurisdictions when it comes to decision making concerning personnel, local construction, and local policies.

Heads of farmers' and fishermen's associations are the most powerful pillars in Taiwan politics because they are in charge of the credit unions affiliated with the associations. In Taiwan, there are more than 300 such associations, and every association is entitled to establish a credit union to serve its members. Most of these credit unions operate like commercial banks, however, because they can also serve nonmembers. During elections, the leaders of farmers' and fishermen's associations exert their influence upon their members not only by threatening to approve or deny loans, but also by actually carrying out vote buying through their credit unions.

Shen Kuo-ping (1993), who wrote a master's thesis on the role of farmers' associations in local elections, observed that the executive general (of a farmers' association) is a powerful person because of his discretionary power in deciding who gets a loan, for how much, and under what terms. Moreover, farmers' association leaders can use their credit unions to buy votes. They can call their clients and say, "We have deposited NT\$5,000 into your account because you have five voters in your household. If you don't vote for our candidate, we will simply

withdraw the money from your account, saying that it was a mistake. Only you and I will know what's going on" (Shen Kuo-ping 1993: 70). Because these associations can provide financial assistance to the political candidates they support, most of these organizations are now being penetrated by local factions. Consequently, campaigns for positions within these associations become very competitive and violent.

Reasons

Why is vote buying so rampant in Taiwan elections that political candidates view it as a necessity in order to win? One of the reasons has to do with the lack of real issues that a candidate can take in order to differentiate himself from other competing candidates. According to an editorial in the *Taipei Times* (1999a) published during the 1999 by-election for commissioner of Yunlin County, people vote for personalities, not issues. And since the candidates are more or less the same, why not sell your vote? Unfortunately, vote buying stimulates corruption.

Chang An-lo, a leader of the Bamboo United, also thought that:

In Taiwan, the DPP and the NP are the two political parties that rely on political ideologies to attract votes. That is, the DPP proposes independence for Taiwan and the NP promotes unification with China. As a result, many of those who vote for these two parties will come out to vote even if there's no vote buying. This is not true for those who vote for the KMT and that's why KMT candidates have to use money to attract voters who do not have any political opinions.

The second reason for the prevalence of vote buying has to do with voters' indifference. As mentioned earlier, most voters in Taiwan, especially those who live in southern Taiwan, are elderly or they are laborers with little education and not much interest in politics. Most voters also believe that all politicians are corrupt and that there is nothing wrong with taking money from those who are going to get rich if they get elected. A journalist told me that:

People are eager to be paid for their votes because they reason that the winner is going to make a lot of money by demanding commissions from major public works projects. That's why they think it's not a big deal for candidates to spend some money during elections. If a person invests NT\$300 million during the campaign, he might make NT\$500 million after he wins. It doesn't matter whether the winner is a KMT or a DPP, he or she is very likely to ask for commissions. If he himself does not do it, his family is going to do it for him.

Some politicians are involved in vote buying because their supporters insist they do so, just to make sure the candidate is not at a disadvantage vis-à-vis vote-buying candidates. This creates a political atmosphere where every candidate does whatever other candidates are going to do. A DPP county councilor told me:

I have served as a county councilor for three terms. At the insistence of my elderly relatives, I got involved in vote buying. They wanted me to buy votes because they were not absolutely sure I would be elected if I didn't—even though we were pretty sure I would win without buying votes. At our staff meetings, two-thirds of my staff supported the elders' suggestion, and so I let them go ahead with the plan.

There is a widespread belief that the KMT is responsible for the popularity of vote buying because the party is extremely generous in contributing campaign funds to their candidates. That is especially the case for those who are running for an important political post against fierce competition from the DPP. With hundreds of millions of NT dollars from the KMT, a candidate can ask his pillars to buy votes in a massive way.

Another reason for this illegal practice to continue to exist is because the authorities are highly unlikely to catch anyone in the process of buying votes or to collect enough evidence to indict someone for the crime. As mentioned earlier, a small or local pillar is the one who actually does the vote buying from relatives, friends, or neighbors (Wang Jing-so 1997). That is why it is almost impossible to detect vote buying; a voter is extremely unlikely to report vote buying to the authorities because it means the end of his relationship with the pillar. Even if a pillar is convicted of vote buying, according to Taiwan laws, the person he or she supported can still remain in office after winning the election.

Gang involvement in politics is another reason why vote buying is an effective way to secure victory in political races (Chen Jen-shwin 1994). According to a former DPP legislator:

Vote buying has to have the support of *heidao* people. Although one can rarely see any vote buying–related violence, it's there. *Heidao* people need not resort to violence because a voter who takes the money from a *heidao*-supported candidate knows that he better vote for that person after taking the money.

A former premier summed up his observation of money politics in Taiwan this way:

Many local Taiwanese, after they had dramatically improved their economic status, were eager to get involved in politics. However, when they campaigned, their main tactic became vote buying. But, to be effective in vote buying, they had to rely on *heidao* to make sure that the people who took the money actually did vote for them. Vote buying and the *heidao* are closely connected; it's a symbiotic relationship—they can't be separated one from the other.

Not only are ordinary citizens bribed by political candidates in popular elections, the latter, after being elected, are in turn bribed by their colleagues who are interested in becoming the speaker and vice speaker of the council or assembly they have been elected to. Because speakers and vice speakers are the ones who

decide how to allocate local construction funds, they stand to receive the largest number of kickbacks from contractors. As a result, the contest for speaker and vice speaker is often fierce, and vote buying is all the more important. Because these positions are elected by a handful of people—members of the council or assembly—the candidates can closely monitor their colleagues' moves. A candidate can coerce his colleagues to vote for him by offering them tens of thousands, sometimes millions, of dollars per vote. In addition, in order to make sure that his colleagues do not change their minds, he would "invite" them on a pleasure tour a few days before the election and then return the night before the vote is cast in the council. When a councilor with a *heidao* background runs for speaker, his brothers all wear black suits and show up in the congress and sit in the seats reserved for the public. This way, the *heidao* figure, of course, will be elected (Chao Mu-sung 1994a).

Political Violence

Since so many *heidao* figures and business tycoons have entered politics, running for public office has become a life-and-death matter because so much "face" and money are at stake. And because political seats are viewed as the only barometer of success by political parties, every election in Taiwan now resembles an all-out war. As a result, human casualties are inevitable (Nan Fang-shou 1996b). As Chao Mu-sung (1982: 18) commented: "In the impoverished and remote areas, voters are mostly poorly educated. Candidates in these areas don't have much to say in terms of their political views and also don't know how to run their campaigns so they often have to rely on money and force. Ask them why they have to do so, they simply say, 'It's all about face.' Ask them why they run for office, their answer is also simple: 'It's all about face.'"

History

Political violence occurred often in Taiwan even before the 1984 Operation Cleansweep (Judicial Yuan 1992). According to Chao Yung-mao (1993), between 1982 and 1986, town magistrates and representatives were victims of fifty-one violent incidents, including murder, attempted murder, aggravated assault, and so on. For example, in the 1982 election for village and town council members, a candidate from Lunpei Village of Yunlin County was seriously wounded after he was shot by an unknown gunman (Chao Mu-sung 1982).

The massive arrests of *heidao* figures during Operation Cleansweep did not halt the escalation of political violence. In 1989, crime bosses arrested during Operation Cleansweep had returned to society. During that year's legislative race, forty-five violent incidents occurred, including the gunning down of a medical doctor from Changhua who was running for the legislature. He was paralyzed by the attack (Chao Yung-mao 1993). The same year, a person in Chiayi who was

running for public office disappeared for three days and it was widely suspected that his political opponent had kidnapped him, even though he later refused to explain what had happened to him. Also in 1989, a person running for a seat in Kaohsiung County's village council was shot to death. In 1992, the aide to a political candidate was murdered (Huang Cheng-ching et al. 1992). During that period, gangsters threatened many entertainers who actively campaigned for political candidates.

By 1993, three years after the launching of Operation Thunderbolt, political violence in Taiwan had become very common. When a KMT-nominated candidate withdrew from the race for Changhua County commissioner because of repeated threats from mobsters, people concluded: "If you don't get the support of big brothers, you don't run for public office." A brother from Changhua commented on the withdrawal as follows: "There's no guarantee that a candidate can run for office in Changhua simply because he has money" (Lee Wen-pang 1993: 74).

The year 1996 was probably one of the most violent periods in the history of Taiwan politics. Not only were many local politicians violently attacked, a number of national politicians were assaulted, kidnapped, or murdered. The secretary-general of the DPP was attacked in front of the party headquarters on March 2; a DPP legislator was slashed in front of his home on May 18; another legislator was kidnapped on August 10; a county commissioner was executed along with eight other victims on November 21; and a high-ranking DPP female official was brutally murdered by an unknown assailant on November 30 (Nan Fang-shou 1996b).

Campaign Violence

One of the most terrifying aspects of Taiwan's political process is its violence. Elections, from the local race for village head to campaigns for national legislator, can be extremely fierce. Because *juanjiao*, or pillars, play a decisive role in almost all election outcomes, candidates spend most of their time on *bujuan* (identifying major pillars), *pangjuan* or *gujuan* (securing the recruited pillars' loyalty so that they will not be lured away by opponents), and *pajuan* (stealing other candidates' pillars). As a result, most campaign violence is related to the fight for key pillars.

Besides protecting their pillars, candidates are anxious to defend their vote base from encroachment by opponents. Because many districts in southern Taiwan are tightly controlled by candidates, on the night before an election outsiders are forbidden to wander freely in these areas. A former DPP legislator from the county said: "Hsieh Tung-yun [a major *jiaotou* who was one of the leaders of the Celestial Alliance before he was assassinated in 1993] would not allow outsiders to come into his territory to campaign. I often visited Hsieh at his house, and I saw a wall full of closed-circuit television monitors. That's how he was able to closely watch what was going on at each and every entrance to the village." A

female DPP legislator from Changhua confirmed that certain areas in her county were tightly controlled by shady figures: "When I was running for the National Assembly, my people did not dare go into the town of Erlin to campaign. After I was elected, I went there to show my appreciation, but the residents did not come out to shake my hand."

As violence has become a real threat to virtually every political candidate, most of them have come to rely on *heidao* figures or professional bodyguards for protection. In sum, to run for public office, a candidate needs the support of business organizations for money and the backup of *heidao* groups for muscle. Although money is spent to buy votes, muscle is needed mainly to prevent opponents from using physical force; it is also used occasionally to intimidate an opponent.

Violence in the Legislature

One of the most infamous aspects of the political scene in Taiwan is the physical confrontation between lawmakers on the floor of the legislature. Because the legislature is the nation's highest lawmaking body, and its activities are televised, brutal fights among the legislators are often caught on cameras, and people in the country and around the world have the opportunity to witness the mayhem—bloodied lawmakers lying on the floor, their clothes torn and dirty.

Physical conflict in the congress was first initiated in 1987 by Chu Kao-jen, a tough DPP legislator who wanted to challenge the supremacy of the KMT legislators in the chamber (Wang Fung and Lee Shen-jou 1987). In the incident that shocked the nation, Chu and his DPP colleagues got involved in a brawl with a group of KMT legislators. Photographs of Chu fighting over a microphone with the chairman of the legislature, of Chu pushing a senior KMT legislator to the ground, and of Chu being struck with a walking stick by an elderly legislator, all appeared in major newspapers and magazines. In the following years, several major brawls between the KMT and DPP broke out in the chamber. By then, the public had become accustomed to these fights and had come to believe that the chamber was only for "real men" who could fight (Chen Kuo-jun 1990). The media even put together a list of "good fighters" from both the KMT and DPP camps in the law chamber (*China Times Weekly* 1991).

On June 25, 1993, tension between legislators resulted in a violent confrontation between two factions of *heidao* people outside the legislature. Shi Tai-sen, a KMT legislator who had been arrested for hooliganism during Operation Cleansweep, was backed by a group of high-profile *heidao* figures, including leaders of the Four Seas, Pine Union, and Celestial Alliance. Lo Fu-chu, alleged to be the highest leader of the Celestial Alliance, showed up with a group of followers who were dressed in black suits and sporting sunglasses. They were there, according to Lo, to "mediate the conflict." Lin Ming-yi, another KMT legislator with a *heidao* background, was also spotted at the scene (Chu Ming-hui and Chen Tung-hao 1993).

Fighting among the legislators became all the more serious in the early 1990s as more legislators with *heidao* backgrounds entered the law chamber and turned it into a boxing ring. Lo Fu-chu, who became a legislator in 1995, was reported to have threatened and assaulted a few colleagues. One legislator was told by Lo: "One day, you may not know how you die."

In August 1996, an independent legislator named Liao Hsueh-kang, who had accused Lo Fu-chu of being a gangster, was pulled out of his bed and locked up in a roadside dog kennel. Because a banner with the words "Doing Justice for Heaven" was on top of the dog kennel, it was widely assumed that the incident was the work of the Celestial Alliance, whose name can also be translated as Heavenly Alliance. Lo denied that he was responsible, and even though a young suspect was later arrested, everyone assumed that someone else was pulling the strings (Hsu Jun-lung 1996).³

That same summer, Lo, along with legislators Chou Wu-liu and Lin Ming-yi, assaulted DPP legislator Yu Cheng-tao in a brawl during a chaotic legislative session. Yu had voiced strong opposition to Lo's recommendation that independent lawmaker Wu Tse-yuan be made a legislative representative to the high-profile National Judicial Reform Conference. In January 2000, another DPP legislator, Chien Hsi-chieh, was attacked by Lin Ming-yi and the ever-pugnacious Lo Fu-chu during a meeting after Chien accused the two of involvement in illegal activities and manipulation of Legislative Yuan procedures (I. Lin 2000e).

Taiwan's national legislature has become a frightening place to work. Hwang Kwang-kuo (1997: 257), a scholar who has written extensively about the dark side of the Legislative Yuan, commented that:

When Big Brother Lo [Fu-chu] verbally assaulted and insulted Chang Shew-cheng [a DPP legislator] for about twenty minutes, those legislators who considered themselves to be champions of human rights and social justice just stood dead silent, helplessly looking at one another. Someone said that was exactly how legislators typically react to the presence of Big Brother Lo. Once, a well-known member of an opposition party was speaking in the legislature about budget cuts. When Legislator Lo banged on the desk and yelled at him, the legislator was so frightened that he blanched. A KMT legislator who witnessed the incident said he wanted to go over to the legislator and touch his nose, just to make sure he was still breathing.

Because Lo Fu-chu is the leader of a group of independent lawmakers and because he is such an intimidating figure, he has become a key operative within the legislature. According to Hwang Kwang-kuo (1997: 257–58):

In the legislature, three to five votes can make all the difference. That's why all political parties need to make sure they are on good terms with Legislator Lo. Although Lo does not have a specific party affiliation, he is more aggressive than KMT legislators in supporting various administration budgets. As a result, whenever there is a need for negotiation between the KMT and opposition par-

ties and Lo is not around, the KMT whip will ask someone to get Lo to the meeting immediately; there is always the worry that, without Lo, the KMT won't be able to control the opposition parties' legislators. That's the reason Big Brother Lo's status has grown incredibly over the past few years.

Even though DPP lawmakers and the general public denounce the frequent fisticuffs on the chamber floor, a female lawmaker of the NP who is close to Lo Fu-chu thought that Taiwan is a developing democratic society and it must learn to adopt mature ways of doing governmental business. After all, the two greatest democracies, the United States and the United Kingdom, were involved in violence early on in their histories.

Heidao's Response

Heidao elected deputies I interviewed do not think that they are particularly violent and definitely do not see that their participation in politics has transformed the political arena of Taiwan into a place of violence. They say this is just stereotypical thinking or that they are being framed by their political opponents. A KMT legislator who is viewed as one of the symbols of black-gold politics made it clear that:

In fact, I do not want to fight inside the Legislative Yuan. However, those DPP legislators are very rude during deliberation. They point at your nose and tell you that you are not a human being. Who can tolerate this? I have my own self-respect and dignity and that means I can't just stand there and let these people repeatedly humiliate me. Reporters would only report that I hit someone; they would not bother to tell the whole story. There is no fighting within the American Congress because members of the American Congress understand the essence of democracy. When they are discussing an issue, they do not curse or act disrespectfully. The Legislative Yuan here is an arena for arm wrestling where conflicts often occur. I am a *fu han jer* [a "bouncer"]; my main responsibility is to help the ruling KMT eliminate all kinds of hassles and barriers.

Corruption and Financial Fraud

Considering how costly and dangerous it is to run for public office in Taiwan, one must wonder why anybody there is interested in becoming an elected official. While some politicians are motivated by their political ideologies, a large number of elected officials only care about using their political positions and connections to make money (Chen Jen-shwin 1994). Money is frantically sought after by politicians, not only to reimburse themselves for the past election, but also to cover their heavy daily expenses while serving as elected officials and to finance their next campaign. Consequently, corruption and financial fraud involving elected officials have become other aspects of black-gold politics. Getting involved in construction projects, buying and selling land, embezzling money

from banks they control, and operating vice businesses are some of the most common ways for elected officials in Taiwan to make money.

Construction Projects

In the 1980s, the KMT abandoned the national goal of recovering mainland China from the Communists and began to focus on transforming Taiwan into a modern society. This policy, along with the economic boom and the accumulation of billions of dollars in foreign reserves, led the ruling KMT leaders to pour a large amount of money into the improvement of the country's infrastructure. As thousands of construction projects funded by public money became available, people who were in a position to influence the outcome of the bidding process on these public projects exploited the situation to benefit themselves. Government officials, businessmen, elected deputies, and gangsters all worked together to make sure they got their share of the so-called "construction big pie."

Most of the public construction projects were tainted by influential figures and corrupt practices. It became an open secret that the country's roads, bridges, and buildings were being hastily constructed from cheap materials by contractors who had to bribe many parties while at the same time try to make a profit. Because government administrators were either bribed or pressured, their inspection and approval of the construction projects were only formalities. Many *heidao* and non-*heidao* politicians are deeply involved in construction, but it is the *heidao* politicians who concern people the most because they are in a better position to force others to cooperate with them. One of my subjects, a police officer from Yunlin, commented:

A major impact of black-gold politics is the gangsters-turned-politicians' involvement in bidding for construction projects. That's why construction projects in Taiwan are so costly and of such poor quality. If these *heidao* politicians do not get involved in construction projects, then they would not really hurt our society that much.

According to a newspaper publisher I interviewed: "Every councilor is entitled to about NT\$20 million of construction money that he or she can allocate freely. The councilor will also demand a 20 percent commission from construction firms. Those who are greedy may demand 30 percent to 40 percent." The vice chairman of a town council told me that after contractors paid kickbacks to local politicians, government officials, and gangsters, "in general, only half of the budgeted money is left for the actual construction of public works projects."

Because so much money is there to be made in the construction industry, "many government officials are state authorities during the day, but by night they turn themselves into chairmen or general managers of various construction firms. Or, they become a key player in the construction industry after their retirement,"

according to a DPP legislator. Elected deputies are in a much better position to get public projects than ordinary businessmen because if they don't get what they want, they can harass uncooperative government administrators by questioning them in the council or assembly or, worse, simply by disapproving the budget for those public projects of no interest to them.

Fighting for a share of the "construction big pie" creates deep-seated animosities between politicians. Meetings become opportunities for politicians to seek revenge on those colleagues and administrators who have blocked their chance to make money. There is not much discussion of how best to serve their constituents and society. Worse, when these conflicts cannot not be settled peacefully, violent confrontations follow. Over the past fifteen years, it has become common for politicians, businessmen, and gangsters to fight over construction projects. For example, a legislator from Yunlin was shot and killed by a businessman after the greedy legislator not only defaulted on his promise to help the businessman obtain a major construction project, but then also refused to return his deposit of about NT\$10 million (Chao Mu-sung 1987a). Many subjects I interviewed also thought that the brutal murder of the commissioner of Taoyuan must have been related to his deep involvement in the booming construction industry there.

Land Speculation

As real estate values in Taiwan skyrocketed in the 1980s and 1990s, buying and selling land, or "frying land," became another way for officials to make money. According to a former NP legislator:

"Frying land" is one of the most important ways to make money. After taking office, every newly elected mayor will first review the city development plan. Once farmland becomes construction land, land prices skyrocket. Politicians will buy farmland before it is marked for development; even low-level administrators will buy a small piece of land to make money. At any rate, everybody's happy. People who own the land near the area to be sold are also happy because once that piece of land is developed, they will also benefit.

Because Taiwan is a small, mountainous island, there is not much flat terrain to develop for residential housing. Besides, many areas are protected: farmlands, forests, and mountain slopes are not permitted to be used as real estate for apartment buildings. However, as people become prosperous, and the demand for high-rise apartment buildings grows stronger, much of the protected land could be reclassified if landowners can find the right person to work as a middleman between them and politicians and government officials. If farmland becomes construction land, its value can increase twenty times or more. Many elected officials become extremely rich in the process (Chen Ji-shien and Chen Jin-fu 1997).

In sum, according to Chen Dung-sheng (1995), both land speculation and the real estate business are dominated by local factions and economic interest groups. Because city and county mayors are in control of their local urban-development committees—committees that have the final say on whether a piece of land is suitable for commercial or residential development—these local politicians can get rich easily and quickly.

Embezzlement

After the banking industry was deregulated in the late 1980s, the number of commercial banks increased from a dozen or so to more than sixty. With so many private banks and hundreds of credit unions virtually unmonitored by the government, elected officials could, and did, take advantage of the situation. They embezzled funds from the banks they were in charge of, pressured the banks to make huge loans to firms owned by relatives, and forced banks to invest in real estate schemes. Consequently, as the economy turned sour over the past two years, the number of bad loans in the banking industry increased at an alarming rate.

Vice Business

Another way for black-gold politicians to make money is through the vice industry. In Taiwan, there is a strong demand for sex services and gambling, but these activities are illegal. As a result, only the very powerful can operate a vice business without worrying about the police. According to a senior police officer from Pingtung County:

Many politicians have to spend tens of millions of dollars to win a seat. After they are elected, they have to find a way to earn back the money they spent on the campaign. Construction projects are not always available, and that's why politicians use the *heidao* to get involved in "special businesses," such as sex or gambling rings. *Heidao* people will be responsible for protecting the businesses from outsiders and competitors, and the politicians will be responsible for protecting the businesses from the authorities.

Vice businesses that are affiliated with elected deputies who are conveners or members of their councils' law enforcement or judiciary committees are especially immune from a police crackdown because these officials are in charge of police budgets. If the deputies are unhappy with the police within their jurisdictions, they can make life extremely difficult for them simply by cutting their annual budget. For example, when Hsu Kun-lung was a councilor of Kaohsiung City Council and the convener of the council's law and order committee, he owned a bar, a nightclub, a ballroom, and was listed as an advisor to a massage parlor. Because of his influence within the city's police department, other councilors also involved in vice businesses relied on Hsu to protect their businesses

from police raids. Only after a violent incident in one of his vice establishments ended in the death of two police officers did his deep involvement in the vice industry become an issue (Chao Mu-sung 1984b).

After the brutal incident in Kaohsiung, many elected deputies stayed in the vice businesses but moved operations outside of their jurisdictions in order to avoid antagonizing their constituents. According to Ker Su-len (1989b: 35):

Most *heidao* councilors in southern Taiwan do not have many opportunities to make money; as a result, they have to rely on special businesses such as gambling and sex. . . . However, all these brothers have a common understanding: they will not conduct these businesses within their own jurisdictions. No matter whether they operate a gambling place or open a massage parlor, they will do it far away from their hometowns, so that the voters will not react negatively. Besides, a county councilor has influence all across the county.

In sum, according to Ying Jao-tai (1992: 42), elected officials can use the following methods to achieve their goal of making money:

1. Participating on certain investigating committees: Pressuring the many institutions they investigate to do favors for them, like asking a provincial bank to provide loans to business firms they are receiving money from.
2. Cutting budgets: By threatening to cut budgets, officials can pressure certain provincial government units to let favored firms carry out public projects.
3. Participating on city planning committees: This is the most lucrative situation because it allows officials to buy and sell land and thus reap huge profits.
4. Carrying out provincial government construction projects.
5. Performing *kuan sor*, or helping people to "get off the hook" for a price.
6. Participating in local activities, such as operating gambling dens, bars, and nightclubs, and working on small local projects.

Often, these elected deputies are aided by their so-called "assistants" in various money-generating endeavors, as reported by Monique Chu (2000b: 3): "In Taiwan, where lawmakers are sometimes lawbreakers, rogue assistants can browbeat officials and interest groups by virtue of their close proximity to power. The so-called 'lunch box assistant' is an aide who receives no salary from a lawmaker, but simply uses the lawmaker's name for his or her own profit."

The Degeneration of Taiwan Politics

Besides vote buying, physical violence, and corruption, the degeneration of the country's political process is also viewed as another symptom of black-gold politics. In the past, politicians were mostly people with good reputations and high social status. Most of them were retired professionals such as doctors and schoolteachers. They had been asked by their followers to serve the community and the country.

Nowadays, most elected deputies are young people, and they may enter politics for any number of reasons: to make money, to gain protection from law enforcement agencies, to have “face,” to answer the call of supporters, to empower the local factions they belong to, or simply because they have nothing else to do. According to Ji Yen-ling of the *Journalist* (1996), most KMT legislators are second- or third-rate politicians who are elected because of their wealth or connections to the KMT, and most of them are not really qualified to be government administrators. In other words, these are people going nowhere. One of my subjects, a town council member in Kaohsiung County, told me his reason for entering politics:

Before I ran for council member, I was working in a factory. At that time, my father was a ward head. Some people wanted to bring down my father, so they accused him of stealing money from his office. My father decided to have me run for council member just to beat the candidate who was supported by those who wrongly accused him. My father finally did achieve his goal.

The quality of politics in Taiwan can be examined by looking at how elected deputies spend most of their time serving—or not serving—their constituents, and also by studying the nature of the local factions that play such an important role in civic life.

Social Protocol

One of the most demanding jobs for elected deputies is to satisfy their constituents' requests for social protocol. According to Wu Nai-teh (1987: 237–38):

When some people in his [a local politician's] constituency die, he is expected to send some flowers or a funeral scroll in his name with his political title. The scrolls he sends would be put in a prominent spot. If relatives of the dead or the dead themselves are his acquaintance, then he is expected to attend the funeral and give a eulogy. When somebody in his constituency gets married, it is certain that he will receive an invitation, and he is expected to send a wedding scroll or cash to the new couple, if the latter are not his acquaintance. If he personally knows them or their families, he has no choice but to attend the wedding banquet and deliver a speech. . . . When a supporter moves to a new house, he holds a banquet and local politicians are usually invited. No politician can afford to let his supporters “lose face” by failing to attend.

As a result, most elected deputies are required to spend a large amount of time and money in fulfilling these demands. A 1986 survey of legislators conducted by the *China Times Weekly* showed that subjects who participated in the survey received an average of 200 invitations a month. Assuming that each invitation means an outlay of NT\$1,000, a legislator needs to spend NT\$200,000 a month just on social protocol, not to mention the amount of time required to attend all these social occasions (Chen Yi-mei 1986).

Tu I-ching (1994) conducted a case study of a local faction in Chiayi, and he found that county-level leaders of the local faction attended about 100 social occasions a week, and town-level leaders, about 50. When I was in a town in Kaohsiung County waiting for the arrival of council members and nobody showed up, a worker in the council office told me:

Today is a good day [according to Chinese astrology], that's why almost all the town council members are running from one place to another attending various social occasions, especially in the morning. In the afternoon, they all go to eat, drink, and gamble, and that means they are not coming to their offices.

Service

Besides spending a lot of time and money attending all kinds of social occasions, elected deputies also invest a substantial amount of energy in "serving" their constituents. For example, according to a DPP councilor, he had been involved in the settling of 1,383 disputes over the past seventeen months. The majority of those cases were traffic accidents, followed by construction applications, employment issues, and medical malpractice incidents. A KMT city councilor whose office is open around-the-clock said that the costs of serving his constituents in terms of money, energy, social visits, and so forth are beyond reckoning.

Most deputies, due to their need for *heidao* support during elections, cannot afford to turn down requests made by these same figures. Most elected officials reacted the following way when asked why they often helped *heidao* figures:

Question: There are rumors that you protect *heidao* friends and their illegal operations. How do you respond to this?

Answer: We representatives should not let those who ask help from us be disappointed, but I will tell people that I can't do anything to help them if they get involved in certain criminal activities. For instance, if a little brother got arrested, I would get in touch with the police so that they would not physically punish him, but I can't protect him from being indicted. Some say I work for *heidao* people; that is a deliberate attack on my reputation. But I have to stress that I serve all kinds of people; even if a hooligan comes to me for help, I will not turn him away. (Chao Mu-sung 1990a: 48)

A *jiaotou* councilor also told a reporter how he felt about serving *heidao* figures: "Even though I have many friends who are *heidao* figures, they are also my voters, and that means I definitely have to serve them. We should not discriminate against people because of their backgrounds" (Ker Su-len 1989b: 35).

In a sense, elected deputies are like lawyers or arbitrators who provide services to their clients or constituents for a fee. According to a vice chairman of a town council: "When people ask us to solve problems, I won't ask for money if they are ordinary people. If the person is in business, however, then I will ask for money. The money will be paid to me as a donation to my office. Some

representatives also ask ordinary people to pay NT\$20,000 to NT\$30,000 for providing service.”

A police officer from Taichung City told me that even though elected deputies often intervene in police work, they are now more cautious in their approach than in the past:

Nowadays, when elected deputies come to the police station to express their concern, they tend to be relatively polite. If they show up at the police station, they just say a few words and leave, mainly to show people that they have tried their best. Some just talk to us over the phone. In the past, it was a different story. They used to walk into the police station like they were in charge. Most of the people who ask an elected deputy to go to the police to help them out are those with little education. They don't know how to deal with the police.

Interpellation

Most of the elected deputies in Taiwan have only a little education and not much in the way of professional training. This lack of preparedness, combined with the heavy demand for their time and energy in fulfilling their social protocols and settling disputes, and the relatively large number of *heidao* figures in local councils, had people questioning how these elected deputies could function. How could they perform as the interpellators of government administrators? A government official with many years of service in mass transportation was perturbed when asked what he thought of having *heidao* figures serving as leaders of local councils:

That vice speaker of Changhua. How can he be a vice speaker? He's actually a bully! He was heavily involved in the illegal operation of gravel plants, and he often used violence to get what he wanted. He also was involved in running illegal gambling operations. What did he know about being a leader of the county council? What do they [local politicians with *heidao* backgrounds or with limited professional skills] know about law; about transportation? How can they question professionals in the chamber about technical issues? In Taipei, it is okay. Many councilors in Taipei would not dare to come question us unless they know something about transportation. They will do their homework before they step up to the podium. Outside of Taipei, it's really bad, Kaohsiung City included. Those local politicians only know what they want, and if we give them what they need, that's all right. If not, they will threaten to reduce our budget. When they question the administrators, they act like they are involved in a heated argument. They do not hesitate to use foul language in the process.

Many elected deputies will rely on extreme physical or verbal measures to show that they are deeply concerned when they are interpellating government officials. For example, they tear at their shirts, they stab themselves in the arms, they pour ink on themselves, or they verbally abuse the person who is being

questioned. Ironically, most voters view these often crude elected deputies as "strong," "efficient," and "capable."

A Bamboo United leader said:

New Party elected deputies are highly educated. Many of them returned to Taiwan with M.A. or Ph.D. degrees from the United States. As a result, they don't know how to perform in the congress. They are very polite, afraid of confrontations, and even those administrators who are supposed to be questioned by them humiliate them. Look at the KMT and DPP legislators. They will verbally abuse the officials at will. That's why those who supported the New Party got very upset when they saw how poorly their elected deputies performed in the legislature or the Taipei City Council.

Legislators who spend most of their energy on making laws and who pay little attention to "serving" their constituents are usually voted out of office when they run for their second terms. According to a DPP legislator, this happened to two legislators:

Tsai Shi-yuan and Hsieh Chung-ming lost the reelection not because of their war against *heidao* activities. Both of them were highly educated and committed legislators, and they were more active in the chamber than in their home districts. As a result, even though people were impressed with their performance in the parliament, they didn't think they were active enough in local community affairs.

Moreover, because the KMT is more concerned with the number of seats occupied by party members than with the qualifications of its elected deputies, there is a lack of systematic effort to recruit and nurture promising young leaders. Chao Yung-mao (1993: 24) observed: "Most *heidao* politicians did not belong to any political party before they were elected but were recruited by the KMT after they won their elections. Typically, the KMT rarely nurtured political stars within the party and usually recruited people only after they were elected."

A former NP legislator had the following to say about the high level of *heidao* participation in politics and the poor quality of politics in Taiwan: "Voters wanted to eat chicken eggs but they raised ducks. How can they expect the ducks to give them chicken eggs? It won't happen."

Criminalization of Local Factions

Another social ill associated with black-gold politics is the criminalization of local factions. According to Chen Ming-tong (1996: 176):

"Local faction" describes a set of interpersonal networks that function, for political purposes, in the local as opposed to the national arena. Its political aims are to mobilize voters to win elections through government agencies and

corporate organizations; to obtain resources controlled by these organizations (both legal and illegal); and to distribute these resources to the members of networks. In other words, local factions are quasi-groups established to act collectively in pursuit of resources in public or quasi-public sectors.

Before the development of black-gold politics, Wu Nai-teh (1987) commented that politics in Taiwan was elitist. It was divided into local and national elites, each with its own traditions and organizational logic. However, as local and national politics became intertwined in the early 1990s, more and more local faction leaders ran for Provincial Assembly or the legislature and were elected. Some local faction leaders were recruited by the KMT to become central government officials (Liao Jung-chun 1998). According to Chen Ming-tong (1995), in the early 1990s, because of challenges from within the party as well as from opposition politicians, the KMT became more and more dependent on local factions for votes. James Soong (then secretary-general of the KMT) played a major role in enhancing the link between the KMT and local factions during the 1991 National Assembly elections and 1992 Legislative Yuan elections.

As local factions became efficient vote-buying machines and their leaders entered national politics, the KMT began to lose control of these powerful groups that used to almost entirely rely on the party to thrive politically and economically (Tsai Ming-hwei 1998). The local factions were changing in many ways. First was the vertical alliances in the legislature and Provincial Assembly among local faction leaders and horizontal alliances among local factions and national political groups. Second, many nationwide political-business enterprises were established as local factions expanded outside of their districts and no longer wholly relied on KMT-sponsored local business opportunities. Third, many local factions recruited gangsters into their networks, thus transforming the nature of their organizations. The gangsters recklessly got involved in fighting for pillars, vote buying, and establishing entry barriers so that opponents could not campaign in their areas (Chen Ming-tong 1995; Wang Jenn-hwan 1996). Nowadays, according to several subjects I interviewed, there is a good chance that city and county councilors affiliated with local factions are either *heidao* members or on familiar terms with the underworld. It appears that the gangster elements have taken over the political process—or, even honest politicians now accept the fact that criminals occupy important places in the political life of Taiwan.

The Politics of Black-Gold Influence

While the majority of people in Taiwan think that the penetration into politics by *heidao* members and businessmen is a serious problem, not many people agree on who to blame and whether the problem would be solved if the KMT were replaced by another ruling party. DPP members believe that gangsters and business tycoons became active in politics because the KMT needed their muscle and

money to win elections; they believe that if the DPP becomes the ruling party, it would not follow in the steps of the KMT. The DPP would not recruit black-gold figures or allow any party member to become one. Some in Taiwan suggest that black-gold politics is serious, but not as serious as the DPP want people to believe; they think the DPP is accusing many powerful politicians affiliated with the KMT as black-gold figures just to attack the KMT in the hope that the DPP will one day become the ruling party. They also strongly believe that once the DPP becomes the ruling party and is in a position to determine who gets what, *heidao* figures and businessmen will also begin to be associated with the DPP. In sum, while examining the problem of black-gold politics in Taiwan, it is important not only to look at the problem itself, but also to consider the role it plays in the complicated political context of Taiwan.

Many DPP members told me that the KMT is fully responsible for the development of black-gold politics. The DPP legislator Chien Hsi-chieh said that the KMT was responsible for the penetration of organized crime into grassroots politics and for the woes of local financial institutions. According to Chien, the longer the KMT maintains a grip on cities and counties, the worse the problem of black-gold politics. Chien said:

Why black-gold politics? The answer is simple: Because the KMT wanted to remain in power, they did not mind encouraging *heidao* people to support KMT candidates. Later, after *heidao* figures became familiar with politics and decided to run for office themselves, the KMT still supported them. The whole thing was masterminded by the KMT; you can't say all this happened by accident.

Tsai Ming-shian, a DPP legislator who had often attacked the KMT for associating with black-gold politicians, told me:

The KMT is aware that *heidao* involvement in politics is a serious problem. However, to make sure that the KMT stays in power, they have no choice but to rely on the *heidao* people. If the KMT wants to get rid of all the *heidao* politicians, they are not going to be able to maintain their power.

Some DPP legislators suggested that the one critical person in the process is Lee Teng-hui (Taiwan's president from 1988 to 2000), a Taiwanese who in the early 1990s was desperate to find political allies while he was being attacked by nonmainstream KMT members. As a DPP legislator said: "The reason for the development of black-gold politics has to do with Lee Teng-hui's desire to develop a group of local faction figures to suppress the emergence of breakaway KMT politicians who were predominantly mainlanders." Wang Jenn-hwan (1996), a scholar who wrote the book *Who Rules Taiwan?*, confirmed that *heidao*, local factions, and businessmen were invited into national politics by Lee Teng-hui after he was challenged by members of his own party. Other DPP politicians pointed out the many trips to southern Taiwan that Lee Teng-hui took to

campaign for those black-gold figures who now are all over the political landscape of Taiwan.

A government official who is critical of the KMT thinks:

The KMT is responsible for the emergence of mafia politicians. In fact, the KMT knows who the criminals are in the local communities. If the KMT had prevented them from running for public office at the very beginning [in the early 1990s], we wouldn't be in this messy situation. Early on, *heidao* politicians were willing to cooperate with the KMT in order to get elected. But these days, if the KMT policies are in conflict with *heidao* interests, those hoodlums are not going to listen to the KMT.

A Taipei City councilor who began his political career as a KMT and later dropped out of the party also thought that the KMT, especially Lee Teng-hui, should be held responsible for the problem of black-gold politics:

President Lee is the main culprit for the penetration of *heidao* figures into local politics. In order to assure his status in Taiwan, and to fight against the nonmainstream elements within the KMT and opposition party members, Lee decided to rely on *heidao* figures and wealthy businessmen and business conglomerates. Lee encouraged all those *heidao* people and rich people to run for public office as long as they were loyal to him.

From the KMT viewpoint, all the talk about black-gold politics is nothing but the DPP's strategy in attacking the KMT; as an official at the KMT headquarters said: "You should not listen to what the media and the DPP have to say about this problem. They only know how to exaggerate the problem and simply want to embarrass the KMT." Another KMT official did not deny that his party's politicians are involved in crime, but he also stressed that DPP members are not immune to illegal activities either. Indeed, Hsu Ping-fung, a former DPP National Assemblyman from Pingtung County, was convicted of heroin use and trafficking; Tsai Chifan, a former National Assemblyman who is a DPP member, is a big brother; and several DPP elected deputies are alleged to be either *heidao* figures or closely affiliated with underworld members (Chao Mu-sung 1992c; 1994b).

When my DPP subjects were told that some of their party members were also involved in crime or belonged to the underworld, most of them did not deny it, but they pointed out that, unlike the KMT, their party would punish those members who are convicted of crimes. A DPP politician from Yunlin said:

Black-gold politics is a network of influence developed by the KMT to make sure that it will remain in power. The DPP can't support black-gold politics because if it becomes the incumbent party, it will be expected to punish its own party members for cronyism, extortion, etc. For example, the DPP fired Ho Hai-shiung, the legislator from Chiayi, after he was convicted for his involvement in a financial fraud case. And because Ho was a legislator-at-large, he

naturally lost his position after he was forced to leave the DPP. Even though Chou Per-lun and Chu Sing-ye are also alleged to be involved in illegal activities, because they were not convicted by the court, the DPP did not punish them. You have to realize that the KMT does nothing to those many KMT members who are convicted of crimes.

A DPP legislator who is an outspoken critic of black-gold politics told me that:

The DPP has a way to punish their deputies who are involved in illegal activities. Take Hsu Ping-fung for example. After he was charged with drug use and sale, I headed a DPP committee to investigate the charge, and after we found proof of evidence to these allegations, we barred him from our party. The same is true with Chu Sing-ye. When he assaulted a female hotel employee because she did not treat him well, we forced Chu to apologize to the woman. Our attitude is a far cry from the KMT, which not only refuses to punish its bad apples, but even allows them to be bailed out after their arrests so that they can run for office again or campaign for other KMT candidates.

While DPP and KMT members attacked one another for affiliating with black-gold figures, those who are considered to be the very people who have tampered with the otherwise peaceful democratization process in Taiwan had their own viewpoint to express. According to Lin Ming-yi, the alleged *heidao* legislator of the KMT:

The media and DPP people often claim that black-gold politics is a serious problem in Taiwan, but I must ask you what is "black-gold"? What's the definition of "black-gold"? Are you saying there are absolutely no black-gold figures in the DPP? If KMT members are affiliated with businessmen, people will say that it is a corrupt relationship. But what would people make of the DPP's recruitment of so many businesspeople to be high-ranking officials within the Executive Yuan now that it is the ruling party? How can we label people like Wu Tse-yuan and Lo Fu-chu as black-gold figures? They are all elected by the people to serve as legislators. What crime did they commit to deserve the labeling of them as black-gold figures? Yen Ching-piao is at the very least the speaker of a county council; why call him a black-gold figure?

Regardless of what DPP members had to say about the KMT's affiliation with black-gold figures and the DPP's conscious effort to wipe out black-gold figures in their midst, some people believe that all political parties in Taiwan are willing to affiliate with gangsters and tycoons as long as they can be of help. An independent legislator said:

No matter which party, they are all the same. They all receive financial support from *heidao*. Even Chen Shui-bian had nothing to say when Lo Fu-chu asked him, "Didn't you also receive financial support from me?" DPP members, at the stage when they were still the so-called *dangwai* [non-KMT members], received a lot of support from *jiaotou* figures.

A sociologist with the Academia Sinica is rather cynical when asked about the problem of black-gold politics in Taiwan. In his view, it is all about fighting for money and power among politicians, mobsters, and businessmen:

What do you mean by black-gold politics? Essentially, it's the sour grapes mentality. In Taiwan, all politicians, businessmen, and *heidao* figures are trying to get a bite out of the big construction pie. Right now [right before the 2000 presidential election], the KMT and local factions work together to eat up almost the whole pie and the DPP doesn't have a clue how to get even a little bite. And that's why the DPP attacks the KMT and local factions as symbols of black-gold politics. If the DPP becomes the incumbent, it is going to be the same as the KMT. It's that simple. There are no unique characteristics that can be attached to black-gold politics. Bid rigging is also the same. If I have someone in mind to win the bid, and you, for some reason, win it, I will say there's *heidao* involved and ask for rebidding. This way, I will have another chance.

Conclusion

In this chapter, the historical, political, and social contexts of black-gold politics were examined. Why *heidao* people are relatively successful in running for public office; the impact of black-gold politics; and the nature of the symbiosis among politicians, gangsters, and businessmen were also considered. In this concluding section, I intend to focus on how serious the problem really is and whether *heidao* figures and businessmen who entered politics are the only people to be blamed. The question is: Are gangsters and businessmen unfairly blamed for a problem that actually benefits other groups the most?

According to a columnist in Taiwan (Kennedy 2000: 4), "the gravest threat to our democratic nation is the widespread presence of organized crime in Taiwanese politics." A DPP official also concluded that black-gold politics "has brought three side effects to Taiwan's political and economic system. These are: a corrupting political environment, people's loss of confidence in judicial independence, and the destruction of a fair and competitive space for economic activity" (S.C. Liu 2000: 5).

Not all people in Taiwan think that black-gold politics is an extremely serious problem. For example, a former brother said: "I don't think it's a big deal that more than 90 percent of the councilors in this county are connected to *heidao*. Why? That's because not all these elected representatives with *heidao* connections are bad; in fact, most of them are good because they know that the public is watching them closely. The problem is with those representatives who do not have criminal backgrounds. Some of them are really bad, and they are engaged in a lot of illegal activities."

KMT officials I interviewed also do not think that the presence of *heidao* figures in the political arena is a serious problem. One KMT official said:

I don't think the problem of *heidao* involvement in local politics is a serious one. I also think as voters become more sophisticated and as local factions become less organized, *heidao* people are going to be less likely involved in local politics.

Another KMT official told me that he is not that concerned about the problem because his party is doing something about it: "The KMT is also very concerned about its image. In the past five to six years, we have paid a lot of attention to whether or not a nominee had a criminal record. If a person had committed a crime, then we would not nominate the person."

Many believe we should pay less attention to *heidao* involvement in politics and more to corrupt government officials and elected deputies who are often ignored by the media and law enforcement authorities simply because they are not big brothers. In fact, according to some, these corrupt officials and policymakers pose more harm to society than those *heidao* elected deputies who only interpellate government officials but do not themselves participate in the execution of government policies. As a senior police officer told me: "*Heidao* people may victimize people for millions of dollars, but government officials may embezzle hundreds of millions of dollars." Even Lee Yuan-tseh, the president of the Academia Sinica who is one of the most outspoken people against black-gold politics, admitted that *heidao* members do not have as much impact on Taiwan as those *baidao* people—namely, government officials who are corrupted.

Part III

Suppression and Reaction

7

Combating Organized Crime

Controlling gang and *jiaotou* members is a tricky issue for law enforcement authorities in Taiwan because the former are either closely related to powerful figures in the political arena or are themselves influential politicians (Chang Chi-ho 1998). Another factor is that crime control units in Taiwan are highly fragmented and not well coordinated, and more often than not, can interfere with one another. Moreover, there are loopholes in the legal tools utilized by law enforcement agencies to fight against hoodlums and organized crime. In this chapter, I will examine the major law enforcement agencies that cope with organized crime, the crime bills pertaining to the control of gangsters, and the three major antigang programs that were launched between 1984 and 1996. The chapter concludes with a discussion of the problems and prospects for organized crime control in Taiwan.

Law Enforcement Institutions

The four major law enforcement institutions in Taiwan are the Garrison Command, the National Police Administration (NPA), the Ministry of Justice Investigation Bureau (MJIB), and the National Security Bureau (NSB).

The Garrison Command

Before 1992, the Garrison Command, an organization within the Department of Defense, was mainly responsible for the control of hoodlums, even though it was set up primarily to enforce martial law and investigate political sabotage. In Taiwan, the word "hoodlum" or *liumang* is a generic phrase used by authorities to identify chronic offenders, *jiaotou* figures, and gang members. Supervised by the Garrison Command headquarters in Taipei and its field offices, police departments and other law enforcement units across the island systematically collected information about those thought to be hoodlums and forwarded the data to the Garrison Command for evaluation.

During that period, the Garrison Command was also in charge of the reform camps for hoodlums. Officially, these camps were called vocational training units, and they

were mostly located in the small, remote islands off Taiwan. Currently, there are two of these—one on Yenwan and one on Green Island—both located in Taitung County, one of the least developed areas in the country (Chao Mu-sung 1992a).

The Garrison Command was a mysterious and terrifying government operation, heavily criticized for its total disregard of human rights and due process. Under instructions from the Garrison Command, a large number of criminals and political dissidents were arrested and convicted without trial or public scrutiny, even though the punishments were harsh: long prison terms or execution.

National Police Administration

The National Police Administration is in charge of the police force in Taiwan and is under the jurisdiction of the Ministry of the Interior. The Criminal Investigation Bureau (CIB) in Taipei and the local police departments across the island are the main units of the NPA for crime investigation.

Ministry of Justice Investigation Bureau

The Ministry of Justice Investigation Bureau, with approximately 3,000 employees, is similar in many ways to the U.S. Federal Bureau of Investigation. The nine major areas of criminal activity that the bureau handles include sedition, treason, unauthorized disclosure of national secrets, corruption and bribery during elections, drug trafficking, organized crime, major economic crime and money laundering, and other matters relating to national security and interests. The bureau, along with the CIB, plays a key role in the processing and investigation of criminals in general and organized crime members in particular.

Even though the MJIB belongs to the Ministry of Justice, the highest administrative authority of legal affairs, it seems that former and current ministers of justice have had problems in controlling the director generals of the MJIB. Very often, the ministers are deeply frustrated with the lack of control over the powerful bureau (I. Lin 2000c).

National Security Bureau

The National Security Bureau was established on March 1, 1955, under the auspices of the National Defense Council (NDC). In 1967, the National Security Council (NSC) was set up to replace the NDC, and the NSB became a subsidiary organ under the NSC. On January 1, 1994, shortly after the respective organic laws of the NSC and NSB were promulgated by the order of the president of the Republic of China, the NSB became a legal institution in charge of the coordination of national security intelligence and special service missions. Even though the NSB has a role in national security and criminal justice

matters, it is a hollow entity, a bureau without adequate personnel that must rely on other bureaus to conduct investigations and assess information.

The NSB, mainly staffed by military personnel, played a key role in the execution of Operation Cleansweep—the first major antigang program in Taiwan. With the assistance of the Garrison Command, the NPA, and the MJIB, the NSB-supervised program arrested thousands of *jiaotou* and gang leaders, including key figures in the 1984 murder of the journalist Henry Liu in San Francisco. When the NSB decided to arrest the three Bamboo United gang leaders who had killed Henry Liu, it did not notify the Intelligence Bureau of the Ministry of National Defense (IBMND), which had hired the three to do the killing. Then-chief of the NSB, Wang Cheng-hsi, later denied that he had any knowledge of the IBMND's affiliation with the Bamboo United, but Wang Hsi-ling, then-director of the IBMND, was convinced that the NSB launched the antigang program mainly to arrest the three gang leaders and to expose the IBMND's role in the killing of Henry Liu (Wang Shih-chun 1999).

Today, the Garrison Command is no longer involved in combating crime, and the day-to-day crime investigations are conducted by the CIB and local police departments of the NPA. The MJIB is more likely to get involved if a crime is serious or has political or international ramifications. The NSB operates mostly behind-the-scenes and generally plays a role as the leading organization that coordinates various law enforcement units in a particular operation.¹

Anti-hoodlum Law

In Taiwan, the main legal tool against chronic offenders, including *jiaotou* and gang members, is the Anti-hoodlum Law. The first version of the law—*Measures for Rooting Out Hoodlums during the Period of Martial Law*—was implemented on October 24, 1955. After being in effect for almost thirty years, legal scholars began to criticize it in the aftermath of the 1984 Operation Cleansweep, in which thousands of suspects were sent to reform camps without the chance to clear themselves. The Taiwanese authorities revised the law in 1985 and it became the *Statutes Governing the Discipline of Hoodlums during the Period of National Mobilization* (Judicial Yuan 1992). In July 1992, the law was renamed the *Statutes Governing the Discipline of Hoodlums* after the law, *Period of Mobilization for the Suppression of Communist Rebellion*, was abolished in 1991. Immediately thereafter, the responsibility for the control of hoodlums was transferred from the military (the Garrison Command) to the police (the NPA) (Kao Cheng-sen 1996).

In July 1995, the Taiwan Superior Court declared some of the provisions of the law unconstitutional. As a result, the law was amended again on August 19, 1996. Because of the persistent criticism of the Anti-hoodlum Law, the legislature passed the Organized Crime Prevention Law on November 22, 1996, in the hope that this law would be used to supplement the Anti-hoodlum Law in the war against black-gold politics (Judicial Yuan 1998).

In Taiwan, hoodlums are called *liumang*. *Liu* means “mobile” and *mang* means “people.” In general, *liumang* means unemployed wanderers who are parasites on society and involved in illegal activities. According to a senior official of the MJIB:

Hoodlums are considered to be a source of social disorder. Its criminal activities range from the forming of criminal gangs, weapon-manufacturing and selling, drug trafficking, fighting over turf, operating extortion schemes, coercive trading, running illegal gambling houses, collecting money from gambling and prostitution, white slavery, and forcibly collecting debts for clients. Its most serious criminal activities involve political activities by using violence, election maneuvering, interference with business circles, extortion of entrepreneurs, the collusive hoodlums bidding for public works. (Cheng 1992: 1)

Of the 2,595 hoodlums arrested in 1990, 6.9 percent were charged for being a gang member, 30.3 percent for weapon possession, 43.3 percent for extortion, 7.3 percent for gambling/prostitution/loan sharking, and 12.2 percent for loitering (Judicial Yuan 1992).

Implementation

The implementation of the Anti-hoodlum Law involved three stages: referral, confirmation, and rehabilitation. Under the first Anti-hoodlum Law, local police officers were responsible for reporting to their superiors the names of people who they believed were hoodlums. Most of their information was based on tips offered to them by secret witnesses. After the local police departments conducted preliminary examinations, the cases were forwarded to the Garrison Command's field offices for a final decision. The local courts would decide whether or not a hooligan should be sent to reform (Judicial Yuan 1992).

If a person was identified as an ordinary hooligan (first time offender of minor crime), he was warned and required to receive counseling from the police for three years. If the person wanted to appeal, he could only file the appeal with the local police department. Serious hooligans and those who were currently involved in hooligan activities, including gang members, were transferred to the so-called Peace Preserving Courts. Whether a hoodlum was considered “serious” or not depended on the following factors: the way a crime was committed, number of victims and seriousness of the crime, the level of damage to social order, demeanor of the offender after the crime, and the likelihood of the perpetrator's escape (Judicial Yuan 1992). According to an MJIB (1996) report, more than 2,000 people were arrested annually as hoodlums between 1991 and 1994 (see Table 7.1).

Problems

There are many problems associated with the Anti-hoodlum Law in Taiwan. Some concern the arbitrariness in the definition of “hoodlum,” the lack of due process

Table 7.1

Number of Hoodlums Arrested by Year

Year	Serious	Ordinary	Total
1991	1,497	1,432	2,929
1992	1,246	1,494	2,740
1993	1,301	1,452	2,753
1994	1,581	1,022	2,603
1995	949	803	1,752

Source: Ministry of Justice Investigation Bureau, 1996.

in the arrest and identification of the so-called hoodlums, and overly severe punishment of hoodlums.

Controversial Definition

In Taiwan, the definition of hoodlum is a fuzzy one, even though people who are labeled as such could be punished severely and the resulting stigma could follow them for the rest of their lives. A person defined as a hoodlum, and who has served time, can be re-arrested and sent to reform camp for up to four years whenever he commits a minor violation. Non-hoodlums who commit the same violation can only be sent to jail for a maximum of fourteen months. A *jiaotou* in Kaohsiung City told me: "I was incarcerated three times, all for being a hooligan. I was considered a hooligan because of my involvement in long-distance busing at the railway station. The authorities charged me with treating the railway station as my territory, victimizing the innocent, using force to recruit passengers, and scaring away other bus operators."

Because hooliganism is not clearly defined, elected politicians are able to intervene when one of their supporters is arrested and charged as a hooligan (Hwang Kwang-kuo 1984). As a result, whether or not a charge stands often depends on how well connected the arrestee is, and on the impartiality of the police. A senior police officer with the CIB claimed: "Sometimes, while I was investigating a person to determine whether he should be arrested as a hooligan, he might at the same time be receiving a medal from the authorities for his good deeds in the community."

Many *heidao* figures believe that local police departments are often required by the central authorities to arrest a certain number of hoodlums each year. According to a former hoodlum who is now an advocate for the rights of ex-convicts:

I was arrested in 1970 because the police were under pressure to come up with a certain quota of hoodlums. You can say I was a so-called *lentou liumang* [quota hoodlum]. At the time, I was on my way to a friend's house to borrow

some textbooks to prepare for an exam. I wasn't in a gang and did not have any prior criminal record. That incident completely changed my whole life, and I have been bitter ever since.

The likelihood of being arbitrarily labeled as a hoodlum is high for a relatively large number of people in Taiwan. As a result, a councilor with a *heidao* background said mockingly: "If we [brothers] speak a little bit loud, we could be accused of threatening someone. That's why I never speak loudly to people."

Lack of Due Process

A person in Taiwan could be arrested as a hoodlum if someone approaches the police and says so. To protect witnesses and to encourage people to come forward with information about hoodlums, the authorities insist that the identities of the witnesses be kept secret. A former minister of justice argued that sending hoodlums to the reform camps is not punishment, so a person who wrongly accuses another person of being a hooligan is not subject to any legal penalty (Judicial Yuan 1992).

A county councilor who spent three years on Green Island as a result of the Yi-ching program said he sincerely hopes law enforcement authorities collect real evidence before they arrest hooligans. They should not rely solely on secret witnesses' accounts because they have no idea what type of relationship exists between the secret witnesses and the accused. They do not know whether people are using the Anti-hoodlum Law to get back at their business and political enemies (Chao Mu-sung 1990d).

Harsh Punishment

Regardless of what the above-mentioned former minister of justice had to say about hoodlums being "reformed," and not "punished," the reality is that punishment for hooligans is more severe than for those who are convicted of committing a similar serious crime. According to the Judicial Yuan (1992: 337): "If the court decides to send a hooligan to reform camp, it is for one to five years, and most people have to serve more than two years. This means the punishment for hooliganism is more severe than for over 95 percent of the crimes listed in the criminal law."

Moreover, hoodlums are first sentenced to jail by the criminal court for violating the criminal law, and only after they have served their sentences are they sent to a reform camp by the Peace Preserving Court for being a hoodlum. According to Taiwanese authorities, this is not considered double jeopardy because one imprisonment is considered punishment, and the other incarceration is defined as reform (Judicial Yuan 1992: 338). As a result, it is common for police to arrest hooligans who have just left prison, and then send them to reform camp.

Even though the so-called “vocational training schools” are considered to be reform camps where serious hoodlums receive training and counseling for their reintegration into society upon their release, most hoodlums who have spent time in a reform camp are very critical of them. First, sentences are apparently indeterminate, where offenders are not informed of the time they have to spend in a reform camp (Judicial Yuan 1992), and the uncertainty about when they will be released often leads them to engage in disruptive behavior. Second, the vocational schools are staffed by inexperienced police officers who could not possibly be role models for seasoned criminals. According to the Judicial Yuan (1992: 309):

We think that the impact of counseling depends on the counseling methods and the person's willingness to change. Those who need to be counseled have been in a bad environment for a long time and have had plenty of street experience. However, the rank-and-file police officers who are providing counseling have just graduated from high school and have had one or two years at the police academy. Their social experience is far different from the hooligans' experience. That's why a newspaper sarcastically described this type of counseling as young birds counseling old birds, and it could only lead to police officers being influenced by the seasoned hooligans, not the other way around.

Tsai Kuan-lun, a leader of the Four Seas who had often been to the reform camps, described the “training” he received there (Chao Mu-sung 1992a: 72):

We get up six in the morning. After breakfast, we attend classes. After classes, we drill, and it simply means “attention” and “at ease” for two hours. We all have had military training, and we all know how to do these things, so why the hell do we need to do them now? In reality, this is their way of punishing us. If they want to punish us this way, so be it; you can't die by standing out there for two hours.

The Anti-hoodlum Law is often criticized by both *heidao* figures and liberal judges for its many shortcomings. According to Tung Nien-tai, the unofficial spokesperson of the Taiwan underworld (Teng Chi-er 1991b: 154):

Just because we are identified as “hoodlums” we can be arrested and imprisoned arbitrarily. This is not fair. We want the law changed so that people can be arrested only if there is evidence that they have committed a crime. However, our efforts have failed. What the Anti-hoodlum Law does is actually create more hoodlums by punishing young delinquents so harshly.

Chen Chung-shen, aka Black Indian, another *heidao* figure active in fighting for judicial reform, urged that: “If I commit a crime, charge me according to our criminal law, and then I will be content. You can't say I am a hoodlum and arrest me anytime you want. You won't find this kind of abusive law anywhere else in the world” (Lin Hsin and Teng Chi-er 1992: 54).

Operation Cleansweep

Even though Operation Cleansweep (Yi-ching) of 1984 was the first major antigang program in Taiwan, other crackdowns such as An-ming (launched just before Operation Cleansweep), Pu-su (targeted at thieves), Pu-nyo (focused on scalpers), and Fu-yao (aimed at little brothers) preceded it by years. However, none of these anticrime programs is comparable to Operation Cleansweep in terms of scope, intensity, and duration.

On November 12, 1984, law enforcement authorities launched a well-planned operation to wipe out *jiaotou* and gang members in the entire nation.² Operation Cleansweep—the most ambitious operation in the history of Taiwanese law enforcement—was carried out with great flare for months. The operation was overseen by the ruling KMT party, supervised by the NSB, and carried out with the collaboration of the Garrison Command, NPA, and the MJIB. During the operation, thousands of law enforcement and military personnel raided the strongholds of various crime groups. Within days, more than 1,000 leaders or senior members of the sixty-two prominent *jiaotou* groups and gangs were arrested. The operation targeted such powerful crime groups as the Bamboo United, Four Seas, Nyo Pu, Big Lake, Seven Saints, Northwest, Sun Huan, and Fang Ming Kuan, but the main focus was on the Bamboo United, and the main target was Chen Chi-li, then-leader of the gang. Only after Chen was arrested, did the authorities begin the massive arrests of other *heidao* figures (Chi Chung-shien 1985).

Because Chen Chi-li and his gang were the prime targets, and because the crackdown was carried out only days after Chen and his followers returned to Taiwan after killing Henry Liu in San Francisco, some people are convinced that the whole operation was the result of that murder, and thousands of *heidao* figures were simply forced to pay the price for a crime that had nothing to do with them. According to a high-level police officer who played a key role in the crackdown:

There's no doubt Operation Cleansweep was the result of the murder of Henry Liu by Bamboo United leaders. The whole operation started nationwide only after the arrest of Chen Chi-li. The order came directly from then-President Chiang Ching-kuo. He wanted to make sure that Chen would be arrested. Also, Yi-ching was mainly against the Bamboo United. We arrested almost all their major leaders and hundreds of followers of the Bamboo United, but did not make many arrests against other gangs. We also captured a certain number of *jiaotou* people, but not many.

However, not everyone agreed about the motives behind Operation Cleansweep. Another high-level police officer told me Yi-ching had little to do with the Henry Liu murder: "Yi-ching is not because of the Henry Liu murder. Before it was launched, the government had ordered gang members to register with the authorities and renounce their gang membership. It's not unusual to have a major crackdown after this type of warning from the law enforcement community."

Regardless of whether or not Operation Cleansweep was related to the killing of Henry Liu, it was heavily criticized not only by those who were the targets of the operation, but by legal scholars as well. Both groups believed that, under pressure from the highest authorities, local police officers simply went out and arrested a large number of innocent people. A high-ranking police officer admitted to a reporter that those suspects arrested on November 12, 1984 had been under surveillance for some time, and as a result, evidence had been properly collected for their arrests. But when thousands of other crime figures were arrested later, there was not sufficient time or motive to gather evidence of criminal activity against them (Chen Ji-fang 1987). Thus, Operation Cleansweep later degenerated into a mass roundup of suspects, many of whom were completely innocent.

The Impact

According to various sources, a total of more than 4,000 underworld figures were arrested during Operation Cleansweep. Taiwan authorities claimed that the crackdown had wiped out almost all influential *jiaotou* and gang members across the island. Those who were not arrested fled Taiwan and sought refuge in Japan, the Philippines, and Thailand. According to one source, nightlife in Taiwan suddenly came to a halt. Owners of hostess bars and nightclubs complained how much their businesses were affected now that their main customers were all being incarcerated (Chung Pai and Chao Mu-sung 1984).

Because so many *heidao* figures were arrested for no reason, many of them were extremely bitter. According to Tsai Kuan-lun, a leader of the Four Seas who was among the arrestees: "Most detainees felt strongly that they were mistreated by the authorities. They can't accept the fact that, in a so-called democratic society like Taiwan, an innocent citizen could be arrested and imprisoned for three years without a court proceeding. It's really unimaginable to have this happen in a democratic society" (Chao Mu-sung 1999: 55).

Those arrested were kept in two major reform camps located in remote areas of the country. After living in the same prison camp for almost three years, *heidao* figures came to know each other well. As a result, according to a *jiaotou* figure who was a Yi-ching arrestee: "Yi-ching did not solve the crime problem. Actually, it allowed *jiaotou* figures from across Taiwan to come together and establish a network. After their release, if one asked help from another, it was unlikely that it would be refused" (Teng Chi-er 1991b: 162). In fact, as mentioned earlier, the Celestial Alliance was formed by some of the most influential native-born Taiwanese while they were serving time inside the camps. The gang later became a major force in the Taiwanese underworld as those big brothers began to return to society in the late 1980s.

Moreover, according to gang experts in Taiwan, Operation Cleansweep had a profound impact on the social order of the underworld. A senior police officer of

Taipei County said:

In the past, the Bamboo United, Four Seas, Flying Eagles, Hua Shan, Pine Union, and Nyo Pu were active in Taipei's Chung Shan District where most of the bars and nightclubs were located. A place with so many sex businesses always needs protection. However, in the past, each and every gang had its own territory. Once the area was divided into several territories, the gangs were active on their own turf and would not invade the other gangs' turf. There was rarely any turf-related violence. Operation Cleansweep destroyed this type of arrangement in the underworld. Even though the second-in-commands stepped in to restore order, soon they were arrested, too. After that, nobody would dare take the position of big brother. Starting from 1988, there were many turf-related violent incidents. Eventually, it got to the point where two branches of Bamboo United attempted to protect the same nightclub.

A leader of the Huang Pu, a mainlander gang active in Taipei, also said that:

In the past, whenever there was an intergang conflict, even if I did not personally know the other gang's leader, I knew that I still could sit down with him and talk it out, as long as my suggestions for the solution were reasonable and made sense. Nowadays, it's not the same anymore. Whenever there is a conflict of interest, the only way to settle it is through violence. Who has more firepower wins. Yi-ching really destroyed the social order of the underworld. There's no rule to follow anymore.

An MJIB agent expressed what he thought of the crackdown: "The crackdown of Yi-ching [Cleansweep] was a failure. We had to have more operations thereafter to round up criminals. If it was a success, why was it necessary to create more massive, anticrime operations? The more sweeps, the more *heidao* figures. There has to be some re-thinking of our policy."

In 1990, Taiwan authorities witnessed the escalation in gang violence after those so-called Yi-ching brothers were released from the reform camps in 1988. As a result, the authorities were compelled to conduct another gang crackdown.

Operation Thunderbolt

On April 5, 1988, 1,600 Yi-ching detainees were released after they had served time in reform camps. As the bitter big brothers returned to their turfs, they unearthed the firearms they had stashed away before their arrests and tried to reclaim the leadership from their little brothers who had taken over when the top leaders were imprisoned. However, the latter were not eager to step down to their little brother roles, and frequent violent confrontations between the original and the new big brothers pushed the violent crime rate in Taiwan to an all-time high in the late 1980s. Moreover, many illegal gambling dens began to sprout up as the released big brothers tried to raise cash to help them settle down or start up a business. When a legendary underworld figure, Tsai Jin-tu, died in 1988, his

high-profile funeral was attended by hundreds of influential gang, political, and business figures; the police by that time had come to realize that the Taiwanese underworld was back in full force only a few years after the Yi-ching operation (Chen Ji-fang 1988a; 1988b).

Operation Thunderbolt, according to several subjects I interviewed, went after two crime groups: the Pine Union and the Celestial Alliance. The Pine Union became a prime target because of its dramatic rise in the aftermath of Operation Cleansweep; the Celestial Alliance was a target because of its involvement in a series of violent incidents. However, the three individuals that law enforcement authorities focused on were all affiliated with the Celestial Alliance: Lo Fu-chu, Wu Tung-tang, and Yang Teng-kwei. Only Yang was arrested, after Lo and Wu both fled Taiwan. As a result, according to a senior journalist, the operation was considered a failure, and many high-ranking officials at the Garrison Command were penalized for it.

Operation Chih-ping

On August 30, 1996, under the command of Liao Cheng-hao, then Minister of Justice, another major antigang program was launched. Liao became the director of the MJIB in February 1995, and was promoted to Minister of Justice a year later. Within a few months after Liao's promotion, a DPP lawmaker, Perng Shaw-jiin, was stabbed by a Bamboo United member; Liao Hsueh-kuang, an independent legislator, was kidnapped by a Celestial Alliance member; and a Bamboo United leader was arrested for his involvement in a major bid-rigging case. Moreover, several *heidao* figures were arrested for their implication in professional baseball gambling, and two prominent Four Seas leaders were gunned down inside a restaurant (Lin Chao-hsin 1996b). All those incidents prompted President Lee Teng-hui to make a public demand of his administration that law and order in Taiwan had to be restored within six months (Hsieh Wen 1996).

According to a prosecutor who played a key role in the Chih-ping program:

A few years before Operation Chih-ping, gangsters had become very active in politics and business. On the one hand, many *heidao* figures ran for public office and became elected officials. On the other hand, some became active in the construction business, the stock market, and the cable TV industry. That's why Chih-ping, under pressure from the president and the prime minister, was launched.

The Operation

Under close supervision from the Minister of Justice, police authorities in Taiwan started arresting *heidao* figures in September 1996. The first person to be arrested was Tsai Kuan-lun, a leader of the Four Seas, followed by Lee Yueh-per, a gang leader in Kaohsiung City (Chao Mu-sung 1996). Many influential underworld figures, including Chen Chi-li, Yang Teng-kwei, and Wu Tung-tang, fled Taiwan right before the operation began. After Tsai and Lee were detained, the

authorities continued with the arrest of other *heidao* figures, including dozens of councilors alleged to be *jiaotou* figures. The most prominent of them was Tsai Yung-chang (aka Hei Sung), a standing National Assemblyman whose sister was a KMT lawmaker.

One of the unique characteristics of Chih-ping was the dramatic process of quickly transporting new arrestees to Green Island, a maximum-security prison on a remote island off the coast near Taitung County. The arrested big brothers, under close scrutiny by scores of television cameras, were escorted by heavily armed police officers to a helicopter and flown off to the island. Even though a reform camp was in operation there, the Chih-ping arrestees were not under the jurisdiction of the reform camp; instead, they were confined within Green Island Prison (Chao Mu-sung 1999). While the crackdown continued to linger on, several well-known gang leaders, fearing that they would be arrested, showed up at police stations with their followers and firearms, and announced the disbandment of their gangs (Teng Chi-er 1997).

Between September 1996 and July 1997, 477 *heidao* figures were arrested. Among them were dozens of *heidao* politicians, including one National Assemblyman, one deputy speaker of a county council, four city or county councilors, eleven chairmen or vice chairmen of town assemblies, and five town council members (Su Nang-heng 1997; Judicial Yuan 1998).

Chih-ping Targets

During the crackdown, a substantial number of people left Taiwan for fear that they would be arrested. Most of them went to China or Cambodia. Three Chih-ping targets were interviewed outside Taiwan in order to get their sense of the situation and the impact of the crackdown.

Chen Chi-li

Chen, who would only admit at the time of the interview that he was a former leader of the Bamboo United, claimed that he had no idea why he was targeted by the Taiwanese authorities during Chih-ping. He also stressed that he was not fleeing Taiwan to avoid arrest; he had been in Cambodia to recover from cancer long before Chih-ping began. His doctor had examined him after he complained that his back hurt and discovered that Chen had cancer. The doctor then advised him to leave Taiwan and give up his demanding work schedule for a quiet place in which to recover his health. As a result, he chose Cambodia because it is a relatively undeveloped country with fresh air and a laid-back atmosphere.

When asked why Chen was targeted, another leader of the Bamboo United whom I interviewed suggested that Chen's plan to showcase the Bamboo United's strengths at a funeral backfired:

When Chih-ping was launched, the Bamboo United again became the primary target mainly because at the funeral of Ta Poa [Chen Yung-ho of the Four Seas], the Bamboo United sent a large delegation. Some of the Bamboo United members arrived on horses, and many showed up in a motorcade of Mercedes Benzes. That was a shock to the authorities. Initially, the authorities had no idea how strong the Bamboo United was. At the funeral, they could see for themselves the strength of the gang. In addition, many of the Bamboo United attendees were young people. That was also Chen Chi-li's idea. At that point, he realized that he might be a target of an upcoming crackdown on gangs, and that's why he intentionally did that to show the Bamboo United's strength.

According to a special prosecutor for the Chih-ping program, Chen Chi-li became a target mainly for his illegal activities in the construction business: "Chen was a target of Chih-ping because he and his associates victimized many construction firms. They coerced and intimidated many small, legitimate construction businesses, often stealing their contracts or refusing to pay subcontractors for their work."

Chen claimed he was the prime target of Chih-ping because the authorities claimed that he was the "spiritual leader" of the powerful crime syndicate Bamboo United. Chen said the title "spiritual leader" was bogus, an excuse to arrest him and identify him as a hoodlum. The authorities claimed he was an extortionist, but he declared that he earned his money from his legitimate businesses. The whole business of Chen being declared a criminal had to do, according to him, with his reluctance to stop Chang An-lo, another Bamboo United leader, from writing critical articles about Lee Teng-hui and other KMT officials. Then one of his supporters in the KMT got ill, and Chen lost his support in the inner political circles of the KMT.

Up to this date, it is still not clear why Chen Chi-li became a Chih-ping target. In any case, having been forced to live as a lonely exile in Cambodia, he was extremely bitter. His life in Cambodia will be discussed in the next chapter.

Chang Da-wei

Chang Da-wei is another Bamboo United leader targeted by Chih-ping prosecutors. According to Chang, he was wanted not because of his illegal activities, but because of his involvement in Taiwan politics:

Why me? Because I supported Chao Shiao-kang when he was running for Taipei City mayor. As Chao had become a formidable opponent, he received quite a few threatening phone calls telling him "to be careful." Chao was scared, and he got in touch with me. I dispatched two bodyguards to protect him around-the-clock. Once the mayoral election was over, someone warned me that I should watch out. That's why I flew to China in January 1996.

Again, it is not clear how credible Chang's account is. However, it shows that influential underworld figures are often recruited by political candidates to boost

their campaigns and that some *heidao* figures could be targeted by the authorities for political reasons rather than criminal evidence.'

Lee Wen-tang

Lee Wen-tang is a councilor from Chiayi County who left Taiwan and went to a city in Southeast Asia after he learned that he would be arrested during the Chih-ping sweep. According to Lee, his downfall had very little to do with his involvement in bid rigging as the authorities had charged, but everything to do with his intention to run for town mayor and his support of a faction leader who lost the county commissioner election that was held before Chih-ping was launched:

Why was I being targeted? Because I wanted to run for town mayor. My opponent wanted to get rid of me, and that's why they told the government that I was a hoodlum. Besides, I supported Chen Si-yung, but he lost to Lee Ya-jin. . . . I wouldn't have been targeted if I were a nationally elected representative. Gang-sweeps won't touch those politicians on the national level; that's why the government focused on the locally elected deputies. In fact, if a faction maintains a good relationship with the central government, the authorities will not harass it. But if a faction develops a poor relationship with the central government, not only will it lose power, but it also will be cracked down on by the criminal justice system. For instance, I have no criminal record, but I was listed as a Chih-ping target.

Lee Wen-tang, obviously saddened and devastated by being wanted as a Chih-ping subject, claimed that he was innocent and longed to return home to his family in Chiayi. Some of those who know him well told me in private his downfall was actually caused by his son who was wanted by the Taiwanese authorities for a violent crime.

Critics

Operation Chih-ping, like the preceding antigang programs, drew heavy criticism from people from all walks of life. Some critics claimed that the operation was nothing but a personal crusade by the Minister of Justice, Liao Cheng-hao. Others attacked the program for targeting only the "flies" instead of the "tigers"; for being politically tainted; and for its lack of due process.

A One-Man Show

Some people in Taiwan thought that Chih-ping was nothing but a pet project of an ambitious politician who used the program to enhance his political career. According to a low-level government employee of the Judicial Yuan:

Liao Cheng-hao only knew how to put on a show. He was very good at manipulating the media. While he was the Minister of Justice, there were reporters in front of the Justice Department every day. Liao said he was dedicated to cracking down on organized crime and told the media how many gang leaders or influential legislators had been arrested. In fact, not one key underworld figure was captured. He only put a few gang followers in prison. Besides, the whole idea of transporting Chih-ping arrestees to Taitung was unconstitutional.

A construction company owner thought that Liao exaggerated the impact of organized crime in order to make his role more important. An MJIB agent also suggested that Liao launched the operation to usher himself into the premiership: "Operation Chih-ping was a one-man show of Liao Cheng-hao, who was eager to demonstrate that he had done a great job as head of the Ministry of Justice. He was trying very hard to get promoted to premier of the Executive Yuan."

A New Party lawmaker also viewed the Chih-ping program as a showcase for Liao:

The gang crackdown was a personal crusade by Liao Cheng-hao. He was only concerned about his reputation and political future. His crackdown on gangs was essentially an illegal means to attack the so-called criminals. If state authorities are willing to rely on illegal methods, how can you convince those who are arrested to accept their fate?

It is apparent that many people were not pleased with the way Liao Cheng-hao conducted the Chih-ping program. After Liao was forced to resign from his post as Minister of Justice due to a highly publicized power struggle between him and the director of the MJIB, the antigang program completely lost steam.

Swapping "Flies"

Other critics of the operation pointed out that it focused only on "flies" or little brothers and left the "tigers" or big brothers out. Even those big-time gang leaders who were arrested during the operation were viewed by many as having already passed their prime in gangland. As a senior reporter said: "When Tsai Kuan-lun was arrested during Chih-ping, many Four Seas members laughed their heads off because Tsai at that time was not a real leader of the Four Seas anymore. As far as they were concerned, he was history."

Others, including the prosecutor who indicted Tsai, thought the charges were justified and that he was a big brother who did much harm against the public. However, Chang An-lo, a Bamboo United leader, argued that the real threat to society is the symbiosis among government officials, business tycoons, and gangsters who operate together in corrupt exchanges. He believed that should a sweep be organized against these three types of persons, the KMT would dissolve as a political party.

The accusation that only “flies” were caught and “tigers” were either ignored or allowed to leave the country is not without grounds. Even though the program set out to remove mob influence in politics, most *heidao* politicians were untouched.

Politics

Some Chih-ping targets believe the crackdown to be particularly harsh on *heidao* figures who were mainlanders, a result of the power struggle between mainland and native Taiwanese KMT leaders. From their viewpoint, the operation was an attempt by the KMT to get rid of mainlander underworld figures because of their inclination to support James Soong, a mainlander KMT leader who was at odds with other KMT leaders at the time when the operation was launched.

Other Chih-ping targets, such as the Chiayi councilor mentioned above, suggested that they were listed as targets simply because of their political ambition. An influential politician from Chiayi asserted that he was detained mainly because he was planning to run for the legislature, and his arrest was the KMT’s way of discouraging him from joining the race. According to him: “After I was arrested during the crackdown, I was released because I promised them that I would not run for a seat in the legislature in the future.”

A Four Seas leader pointed out the political aspect of the operation this way: “In the past, gang-sweeps were fair. All gang leaders with a certain reputation were arrested. Chih-ping was the first unfair crackdown because it was extremely selective as to who would be arrested.” Tung Nien-tai, an ex-convict who is now an advocate for prisoners’ rights, summed it up rather succinctly:

Chih-ping was basically a politically charged gang-sweep. The main purpose was to remove James Soong’s pillars. Big brothers were arrested simply to make it look like a gang-sweep and not a political cleansing. Of course, Four Seas members became the main targets because they supported Chen Lu-an during the 1996 presidential election and voted for Chao Shiao-kang during the 1994 Taipei mayoral election. Before Chih-ping was launched, President Lee had decided to pick one major gang to support him and his party, and he selected the Celestial Alliance and Lo Fu-chu. To make way for Lo, Lee wanted to get rid of all other gangs.

In short, many mainlanders I interviewed believe that the Chih-ping program was a politically charged antigang program orchestrated by the native Taiwanese KMT leaders to get rid of the influence of mainlander gangs. From the mainlanders’ viewpoint, the underworld of Taiwan was becoming “Taiwanized,” just like the business and political communities.

Lack of Due Process

Some of my subjects criticized the antigang program for relying on the testimony of secret witnesses. According to a big brother from Chiayi: “The whole

process was built upon the secret witness system. Basically, this system makes absolutely no sense. Many secret witnesses are people who use this system to get back at their personal or political enemies. You've got to understand how detrimental it is to a person who is considered to be a Chih-ping target. It affects all the people around him, especially his wife and children. Many targets end up divorced and their reputation completely ruined."

To this, a lead prosecutor in the Chih-ping program responded the following way:

I don't think anybody was wrongly accused while the Chih-ping program was carried out. These people [the suspects] knew very well why they were being targeted. There's nothing to complain about. And I also do not think that there were any secret witnesses who accused them simply because they wanted revenge. Remember, Chih-ping targets are all notorious *heidao* figures. Ordinary people would not dare accuse them simply for private revenge. These *heidao* figures are not people you want to mess with for no reason.

On the other hand, the program was also heavily criticized for its unprecedented method of dealing with the arrestees. For example, as explained earlier, arrestees were immediately transported by helicopter to a maximum-security prison located on a remote island in Taitung County, and their cases were all transferred to the jurisdiction of the county's district court. According to a journalist with the *Taipei Times* (I. Lin 1999a: 3):

One major criticism of the program is that it hampers due process for suspects, since it forces the jurisdiction of their cases to the Taitung District Court, which handles all the cases of Green Island prison inmates. Critics contend that the transfer of jurisdictions prolongs court proceedings because witnesses have to travel long distances to give their testimonies. They say the transfer also makes it inconvenient for suspects' family members to make prison visits.

Even though Taiwanese authorities in the late 1990s claimed that they had dramatically improved their ways of handling *heidao* figures by paying more attention to due process, the execution of the Chih-ping program indicated that the criminal justice system of Taiwan was far from ideal. Judges in the Taitung District Court were apparently displeased with the dumping of such a large number of *heidao* figures into their jurisdiction, and in reaction, the judges there simply either acquitted or released the Chih-ping targets shortly after they arrived there.

The Aftermath

More than 150 suspected underworld figures and mafia politicians were arrested between 1996 and 1998, while Operation Chih-ping was at its peak. Regardless of the shortcomings of the program, authorities believed that the crackdown was instrumental in improving law and order in Taiwan in general and politics in particular. A prosecutor who played a pivotal role in the program concluded that:

Operation Chih-ping was a success. We were able to arrest a few well-known *heidao* figures or force others to seek refuge outside of Taiwan. In the aftermath of the crackdown, violent incidents significantly declined, and we sensed that *heidao* figures began to be more cautious about what they did. We got a lot of mid-level gangsters who were the main figures in carrying out the violent acts. In fact, without these mid-level tough guys, the so-called supreme leaders are nothing but symbolic figures. It was these mid-level associates whom the primary leaders rely on to carry out their plans. Chih-ping targeted these mid-level associates and almost all the major tough guys of the four main gangs, the Bamboo United, the Four Seas, the Pine Union, and the Pei Lien, were indicted. The problem is the media and the public only knew the very top guys and did not know the important function of the less well-known tough guys. Finally, we did arrest and indict many local politicians.

It is worthwhile comparing Chih-ping to other international anticrime programs. The focus on the “middle managers” in the four main gangs is very similar to FBI antimafia campaigns that succeeded in the 1980s and 1990s in crushing major elements of the American Cosa Nostra crime families across the nation. All the major bosses and capos were either indicted or convicted in the Commission trial, the Pizza Connection, and the Gotti prosecutions (Jacobs 1999). Finally, the kingpin strategy that takes out several layers of crime syndicate administration and leadership through the Racketeering-Influenced and Corrupt Organization (RICO) statute has also been successfully applied to Colombian and Latin American drug trafficking cartels, Russian mafia fuel rackets, and African-American crack gangs.

On July 1998, the antimafia hero Liao Cheng-hao abruptly announced his resignation after his clash with the acting director of the MJIB was widely reported in the media (Chen Ji-shien 1998). After Liao stepped down, the Chih-ping program lost its steam. Asked what had happened to the program after his resignation, Liao said: “Well, what can I say? I really don’t know; you have to go ask the current Minister of Justice [Liao smiled wearily and shook his head]. I think it has stopped; I don’t see any new initiatives against organized crime members.”

One of the main results of the Chih-ping program is the internationalization of Taiwanese organized crime. As many Chih-ping targets fled Taiwan and settled down in China and Southeast Asia, Taiwan’s fugitive underworld figures became a major concern for law enforcement authorities in those receiving countries. This issue will be discussed in the next chapter.

In the aftermath of the program, shooting incidents significantly decreased (Chien Hsi-chieh 1999). In addition, *jiaotou* and gang members became more cautious and chose to maintain a low profile. According to a senior journalist of the *China Times*: “If you compare the funerals of Four Seas leader Chen Yung-ho and White Wolf’s [Chang An-lo’s] son, you will find there is nothing similar.³ Chen’s funeral in February 1996 was well organized, and many important figures were involved, but White Wolf’s son’s funeral in 1998 was attended mostly by high school students.”

Many Chih-ping targets were released on medical parole or acquitted by the Taitung District Court's judges. Some of them returned to their homelands and became key pillars in the 1997 mayoral and county magistrate elections (Ma Ji-jun 1997b). In the 1998 city and county councilor elections, some of them ran for public office and won. Some of them stayed out of politics, but their family members were elected to various representative bodies.

Organized Crime Prevention Law

By the 1990s, even though more than 1,000 *jiaotou* groups and organized gangs were active in Taiwan and had penetrated into the business and political arenas, a legal tool to combat criminal organizations did not exist until the passage of the Organized Crime Prevention Law in December 1996.⁴ According to the law, an organized crime group is defined as an organization with a membership of three or more people that has an internal management structure (an order of command). The group is set up with the intention to commit crime, or to facilitate its members' criminal activities. It possesses the characteristics of being a group that is chronically involved in crime through the use of threats or violence.⁵ A convicted gang leader will receive a jail term of three to ten years, and members, one to seven years. Upon release from prison, they are required to spend three years in a reform camp, and they will be barred from running for public office for life. If a politician is convicted under the law, his political party will be fined between NT\$10 million and NT\$50 million (Su Nang-heng 1998).

The organized crime provision was hastily written and passed by the legislature under pressure from the public, many of whom had long urged the authorities to tackle the problem of gang involvement in politics. However, after it was revised several times in the Executive Yuan and the Legislative Yuan, the final version of the law was stripped of most of its power. Under the new provision, police authorities were not authorized to conduct undercover operations; no temporary or permanent unit could be established to fight against organized crime; and law enforcement authorities would not receive any bonus for solving organized crime cases. Moreover, only *heidao* figures who were convicted under the law would be banned from politics, not those who were arrested during Operation Cleansweep and Operation Thunderbolt. As a result, after the law was in effect for five years, only a few little-known crime groups had been indicted under the new provision, and most of them were either acquitted for lack of evidence or received lenient sentences. According to Irene Lin (2000b: 3) of the *Taipei Times*:

Four years ago, the creation of the Organized Crime Prevention Act was expected to be able to deter the country's mafia from tampering with politics and to bring forth prospects of a healthy democracy. At the time the act was passed by the legislature, high expectations were raised that convicted politicians would

not be able to run for office. The act also imposes liabilities on a party whose nominees are convicted of any crime stipulated by the act, for five years after the nomination. The law itself looks powerful, but it needs effective implementation, critics have pointed out. The issue of black-gold politics has been central to any discussion of the political environment in Taiwan. Sadly, the frequent pledges of the government have been perceived as nothing more than campaign slogans.

Without a permanent and specialized agency and competent police officers and prosecutors to investigate and prosecute organized crime members, the passage of the Organized Crime Prevention Law had not much impact on the war against organized crime. And without the legal base to conduct undercover investigation, surveillance, and wiretapping, the police are unlikely to gather criminal evidence against those who rarely are directly involved in committing a crime.

Elections and Gang Crackdowns

Many people believe that gang crackdowns in Taiwan are closely related to elections. Some influential underworld figures are arrested before an election if they do not intend to support the ruling party. Some are incarcerated after an election because they supported the wrong candidates, that is, the losing candidates. According to an ex-convict, during the 1996 election for president and the 1994 election for mayor of Taipei, the three major gangs supported specific candidates (see Table 7.2).

He said:

The Bamboo United and Celestial Alliance both supported Lee in the presidential election, and they split their votes between two candidates in the Taipei mayoral election, one of them the KMT candidate. The Four Seas not only supported the New Party's Chao in the mayoral election, but also Chen Lu-an in the presidential election. Four Seas leader Ta Poa [Chen Yung-ho] and Chen Lu-an were very close, and that's why the Four Seas supported Chen instead of Lee. After Lee was elected, he realized, to his great anger, that all mainland gangs were against him or the KMT. That's perhaps the reason behind the overwhelming attack on the mainland gang members during Operation Chih-ping.

During the 2000 presidential election, black-gold politics was the number one issue in most public debates among the five major candidates. Being repeatedly accused by the DPP of being responsible for the development of black-gold politics, the ruling KMT party made a hasty announcement of its intention to wipe out the problem (I. Lin 2000a). Privately, however, the KMT was busy recruiting influential *heidao* figures to campaign for the party's presidential candidate, Lien Chan. A Bamboo United leader in China told me when I interviewed him a year before the election:

Table 7.2

Gangs' Support in the 1996 Presidential and 1994 Taipei Mayoral Elections

Gang	Presidential Election	Mayoral Election
Four Seas	Chen Lu-an (NP)	Chao Shiao-kang (NP)
Bamboo United	Lee Teng-hui (KMT)	Huang Ta-chow (KMT) and Chao Shiao-kang (NP)
Celestial Alliance	Lee Teng-hui (KMT)	Huang Ta-chow (KMT) and Chen Shui-bian (DPP)

Source: Interviews with *heidao* figures.

KMT party workers approached me and wanted me to return to Taiwan to help them in the coming presidential election. I said I wouldn't do it unless they did it in a very polite and respectable way. I didn't want to let them exploit me, and I didn't want to go back without a plan.⁶

As the 2000 presidential election approached, the widely held belief that *heidao* figures were mobilized for the election was reinforced by the arrival of Chih-ping targets from abroad who began to return to Taiwan in earnest. The most prominent of them was Yang Teng-kwei, who went back to Taiwan after spending three years abroad. According to a Bamboo United leader in Shanghai: "Yang Teng-kwei's return was definitely related to the presidential election. Lien Chan knew that he did not have much influence in Kaohsiung, and Yang was very powerful in that area. Yang used to operate nightclubs in Kaohsiung, and he's from that area. Because he could get votes, his trouble with the law could be ignored."

Not long after Yang returned to Taiwan and was treated decently by the authorities, other Chih-ping targets followed suit. Among them were Huang Shao-ching (aka Yao Yao), the acting leader of the Bamboo United; Chen Len-ji (aka Ing Nga Wei), a prominent leader of the Celestial Alliance; and Tao Shao-shiun (aka Shao-shiun), a leader of the Celestial Alliance.

Other underworld figures in Taiwan were also actively involved in the campaign, in the hope that the candidate they supported would win the election and, in return, help them in the future. James Soong not only received support from a large number of mainlander underworld figures, but also from the council speaker of Taichung County, Yen Ching-piao. Yen, a former provincial assemblyman, was close to Soong because Soong had been a provincial governor. Besides Yen, the activities of another influential figure—Chang Jung-wei—were closely scrutinized before the election. Chang indicated that he would support the KMT candidate, Lien Chan.

Problems in Dealing with Organized Crime

Although Taiwanese authorities have conducted three major gang crackdowns over the past fifteen years and thousands of suspects have been arrested and sent to reform camps, the penetration into business and politics by *jiaotou* and gang members remains strong. This has prompted people in Taiwan to conclude: The more crackdowns, the worse it gets. Why? Some of the problems associated with combating organized crime are examined below.

Shaming and Harsh Punishment without Reintegration

Labeling, Shaming, and Stigmatization

One of the problems in containing organized crime in Taiwan is that people who are identified by law enforcement authorities as hoodlums or *heidao* figures may never have an opportunity to get rid of the label officially, even though they may be less likely to be stigmatized by people in their own communities. Many who were arrested during Operation Cleansweep were arrested again when Operation Thunderbolt and Operation Chih-ping were conducted. Tens of thousands of people are being processed and reprocessed as hoodlums, and there is little hope for these people to be removed from the official list of hoodlums. As a result, most of them continue to act out the expected role of hoodlum or brother as if they were acting out a self-fulfilling prophecy. According to a Bamboo United member: "After so many years, I am not sure whether I am a brother or not. I don't know for sure what is a brother, and whether I can be considered a brother. But I know that, after receiving the label of brother, it's very difficult to remove it." Yang Swan-wu, a notorious underworld figure who is currently on death row, once told a group of reporters: "I became a hoodlum after I was sent to a reform camp for fighting. Once I was labeled a hoodlum, there was no turning back" (Wu Kuo-tung et al. 1987: 15).

Feng Jia-chen, who became one of the most intimidating figures within the Bamboo United, said:

I was arrested during the 1984 Yi-ching program simply because I was involved in a fight. In prison, I came to be associated with a large number of big brothers. After being released from prison, it was very difficult for me to return to my old life. I told myself; since I was already a hoodlum, why not take the next step forward [and became a full-fledged gangster]? Yi-ching ruined my family; I have not seen my son since then because I don't want to have a negative impact on his life.

During the course of this research, almost all the brothers I interviewed insisted that the relentless accusations that *heidao* figures encroached on the business and political arenas essentially denied them the opportunity to be-

come law-abiding members of conventional society. A town council speaker revealed his anxieties: "Why won't this society let us change? Why constantly label us *heidao*? This only causes more chaos. After brothers transformed themselves into local politicians, most of them turned good. Only a small number of them remained bad."

During Chih-ping, police arrested Tsai Yung-chang, the National Assemblyman from Yunlin County, after a highway chase. When Tsai asked the police why he was arrested, the police said: "At the very least, you are Peikang [a town in Yunlin] *laoda* [big boss], right?" Tsai remained silent for a moment and replied: "I haven't been a *laoda* for a long time" (You Fung 1997: 24).

A Bamboo United leader also commented:

I don't understand the meaning of *heidao* people bleaching themselves. The term bleaching means a person is originally black [criminal], but through participation in the business and political arenas, he hides his criminal background. Why can't we say the person has changed into a law-abiding citizen after he admitted he was wrong and wanted to change himself? By accusing the person of bleaching himself, do you not want him to participate in business and political activities but remain in the criminal underworld forever?

Kaohsiung County Council Vice Speaker Wu Hao-sung, before he was murdered, suggested that rehabilitation should be a serious, government-supported program instead of the sham that it is (Chao Mu-sung 1990b). A Bamboo United leader thought that his own behavior should not automatically be assumed to be his gang's behavior: "If you are involved in a fight, then it's your personal business. But if I get into a fight, it's automatically assumed to be the Bamboo United's business."

Harsh Punishment

Even though the well-connected criminals in Taiwan are rarely punished, ordinary people who break the law are often harshly treated by the criminal justice system. According to Chen Chi-li:

[In Taiwan] no matter if it's gang-sweep or criminal punishment, there are a lot of problems. Let's take stealing for example. Every society has thieves. Where do they not exist? Thus, we should treat thieves as thieves and punish them, but leniently. Our government stubbornly insists on punishing thieves harshly. Not only do they have to do time in prison, but they also have to go to reform school. Time in these two institutions could add up to five years; recently the government extended the upper limit of just the reform school to five years. That means that stealing could lead to a seven-year imprisonment. This type of punishment is not much different from murder (ordinary, first-time). As a result, when convicted thieves go out to steal the next time, they take a knife with them, because they are afraid that they might get caught again. After being released from reform schools, there's nothing they can do but commit crime.

Another Bamboo United leader said: "In Taiwan, a single crime can result in three punishments. For example, if you carry a weapon, you could be sentenced to jail for violating the gun law. You could also be identified as a hoodlum and sent to reform school. Finally, you could be listed as a Chih-ping target."

No Opportunity for Rehabilitation and Reintegration

Even though thousands of so-called "hoodlums" are arrested every year and sent to labor or reform camps to receive "vocational training," they are, in fact, punished without the benefit of rehabilitation. It is commonly known that labor camps for hoodlums, situated on remote islands, are far worse than the more accessible prisons for "ordinary" criminals. Hoodlums in labor camps not only are subjected to meaningless drills, but also are never told of their release dates. Riots in these labor camps are common, and the authorities often react with brutal force. For example, when the Yi-ching detainees erupted in violent protest inside the labor camp in Yenwan, the authorities simply transferred those troublemakers to another labor camp on Green Island. Sometime later, when prisoners in Green Island's labor camp were involved in a riot, eight prisoners died after more than 1,000 armed soldiers were sent in to retake the camp by force. According to the authorities, the prisoners died because they barricaded themselves in a building that was set on fire by the inmates. In both violent incidents, no outsiders were allowed to visit the camps; prosecutors sent to examine the bodies had to wait for hours before they were allowed to go in (Tu Jen-wen and Chen Yi-an 1987).

Not long after the riots, the responsibility of running the labor camps was transferred from the Garrison Command to the NPA. In essence, this meant that the police rather than the soldiers were responsible for the rehabilitation of hoodlums. However, this change had little real impact on how the labor camps were run (Cheng Ying-yung 1996). When Chih-ping targets were sent to Green Island in 1996, the police there basically followed the footsteps of the Garrison Command by asking detainees to go through basic military drills (Chao Mu-sung 1996).

After hoodlums graduated from various vocational training schools, they were simply released without any attempt by the authorities to help them reintegrate into conventional society. Actually, the authorities were only interested in monitoring them after their release and, if warranted, rearresting them.

According to Braithwaite (1989), after identifying and punishing a criminal, society must allow the violator to re-enter the conforming group. Otherwise, the stigma is open-ended, producing outcasts that are a further drain on society. Over the past five decades, Taiwan authorities have labeled a large number of people as hoodlums but have done nothing to reintegrate offenders back into the community of law-abiding citizens.

A Corrupt, Fragmented, and Handcuffed Criminal Justice System

Police Corruption

Taiwan's police are supposed to be at the forefront of the fight against organized crime, but the police force itself is marred by corruption, incompetency, and low morale.

Corruption is probably the most serious problem associated with the police force. A large number of local police officials are believed to be closely affiliated with, and take bribes from, gangsters, politicians, and business owners within their jurisdictions. For example, when a major electronic gambling operator, Chou Len-sen, was arrested in 1996, more than 500 police officers across Taiwan were believed to have been bribed by Chou to protect a gambling empire that netted him more than NT\$2 billion a year. Several high-ranking police officers and prosecutors also have been convicted for taking bribes from Chou (Hu Chun and Yang Shing-sun 1996).

According to Chu Kao-jen (1997), more than 70 percent of the police force is made up of men and women from the counties of Changhua, Yunlin, Chiayi, and Pingtung, the same areas where most *heidao* figures first originated. That is why some argue that since the police and the hooligans all come from the same areas, and it is only natural for them to get along so well. A mid-level government official commented on this issue of familiarity based on propinquity:

In Taiwan, the authorities are not in a position to regulate people's behavior. The police represent the authorities, but the police are made up of both good and bad people. Some cannot refuse bribes, and some, because of the corrupt environment, decide to mingle with *heidao* figures or local politicians. Many government policies are adopted without considering their practicality. As a result, knowing that these policies are not going to work, the police simply give up trying to carry them out.

And a publisher in Kaohsiung said that police are corruptible and act in ways that are not in the public interest but designed to protect their public image. A mid-level police officer from a town in Changhua was candid about the problems associated with the police force:

It's not easy to be a police officer here. Many police officers are close to *heidao* figures and that has a major impact on our investigations. These *heidao* politicians often give expensive gifts to newly appointed government officials and law enforcement authorities. When you accept such an expensive gift from someone, you can't really do anything bad to that person. A police officer here is doomed to fail. Over the past several years, of the six heads of the local police department, four were transferred to other units after being demoted. Of the five Criminal Division chiefs, five were demoted.

A mid-level police officer from Taichung City told me how he felt about investigating black-gold figures: "To tell you the truth, whenever we [the police]

see a person who was considered a hoodlum during Operation Cleansweep and who has now transformed himself into an influential political figure, and see him being visited by our vice president and governor, our morale can't get lower."

Another police officer told a reporter the following (Lee Jer 1994: 46):

If you take a closer look at those local politicians, most people cannot tell who is a big brother and who is not. But police officers like us are very much aware who the mafia politicians are. Who are the members of various arms-trafficking organizations? Who are the disciples or followers of the most-wanted fugitives from the past? Who are currently the influential figures in the underworld? We are very clear. But it doesn't really matter what we know. Once a brother gets bleached and becomes a local politician who represents the people, what can we do to him?

In sum, in ordinary times, the police would not bother to investigate crimes committed by powerful people. Only if there was a major crackdown on gangs and organized crime would the police investigate these powerful figures because, under these extraordinary circumstances, they don't have to worry about any repercussions due to lack of public support. Most charges during major crackdowns were related to crimes committed many years earlier, and it was apparent that the police knew about these activities at the time they occurred.

Fragmentation

The criminal justice system in Taiwan is too fragmented to deal effectively with organized crime. Police, the MJIB, prosecutors, and judges rarely work well together; each group has its own distinct perspective on events. First, there is not much cooperation between the police and the judges. According to a criminal investigator from Kaohsiung: "The Organized Crime Prevention Law is not very clear at defining organized crime. Whenever we put together a case against a group of organized crime members, judges tend to dispute our findings. They are young and they don't have any experience, and I think that's why they are so naïve about organized crime."

Second, there appears to be a power struggle between prosecutors and judges. Many prosecutors complain that judges are becoming more and more liberal and tend to be more concerned with the suspects' rights than with fighting organized crime. For example, a leading Chih-ping prosecutor said:

Chih-ping in 1996 was at first a major success. Many *heidao* were sent to the dreaded camp on Green Island. Fear of the island, the isolation, and the camp conditions dampened enthusiasm for crime activities. But in 1998, a law was passed that allowed only judges the discretionary power to decide if a criminal targeted by Chih-ping should be detained. Before 1998, prosecutors could make that determination. Judges could and did permit bail, which enables Chih-ping targets to flee and further weakens the anticrime program.

Judges thought that many Chih-ping targets were arrested without solid evidence to show that they were guilty. Most brothers I interviewed also believed that many innocent people were arrested during the crackdown and that was the main reason why almost all of them were released from Green Island after their brief stay there.

Third, there is a long history of a power struggle between the Ministry of Justice (MOJ) and the MJIB. Even though the MJIB, in theory, belongs to the MOJ (like the U.S. FBI belongs to the U.S. Department of Justice), the justice minister is not the sole boss of the bureau, given that five of its nine functions fall under the jurisdiction of the NSB. Recently, Minister of Justice Chen Ding-nang accused the MJIB of prolonging criminal investigations, while some of the reported cases would be “killed” halfway through for political reasons (I. Lin 2000c). According to Vincent Lin (2000: 8): “Two of the minister’s predecessors, Hsiao Teng-tzang and Liao Cheng-hao, stepped down after they had tried to interfere with the bureau—and lost. . . . With the minister and the MJIB chief trading accusations and focusing on their power struggle, how can they crack down on ‘black-gold?’”

A Sense of Powerlessness

A senior police officer from Taichung City revealed to me how impotent the police are when it comes to dealing with incidents involving elected representatives:

In fact, we can only investigate crimes committed by ordinary people. If the suspects are *heidao* elected deputies, then it’s up to people at the upper echelons to tell us what to do. Once an incident involves a political figure, that incident becomes something that we at the police station can’t do much about.

Another senior police officer at the CIB headquarters in Taipei also said: “In Kaohsiung, the police are essentially powerless when it comes to Tsai Sung-hsiung [the Vice Speaker of Kaohsiung City Council], unless he is arrested while committing a crime.”

As mentioned earlier, police authorities are handcuffed when it comes to investigating leading organized crime figures because undercover operations are not allowed in Taiwan. The chief of a criminal investigation unit in a major city responded the following way when asked why his unit seems to be so helpless when it comes to investigating crime:

Why can’t we do anything about these people [politicians with shady backgrounds]? It’s because they are not doing these things [illegal activities] themselves; they are working behind-the-scenes. They are becoming more and more sophisticated. We know what they are doing, but we don’t have the evidence.

Another Chih-ping prosecutor told a reporter why it was so difficult to arrest big brothers (Chen Ji-shien 1997: 46):

The files of the Chih-ping targets are all highly classified materials, although I was able to see the files a few days before the arrests were carried out. Yet many of the big brothers who were listed were able to leave the country before they were cornered. We at the prosecution offices were simply amazed how these big brothers were so well connected.

A former director-general of the NPA admitted that: "After gangsters get elected, there's not much the police can do because they don't get directly involved in criminal activities. Besides, once they show up with their entourage, they seem invincible and that's enough to make you [the police] not want to have anything to do with them."

Partial Justice

The Politics of Justice

Another problem associated with the war against organized crime is the belief that it is highly selective as to who should be targeted. That is, judicial decisions are based on political considerations rather than on criminal evidence. Gang and *jiaotou* members are often arrested when authorities want to show the public that they are tough on crime, but later these same people will release those detainees who they think can help them win elections. According to Chen Chi-li:

Yang Teng-kwei [the adviser of the Celestial Alliance] recently went back to Taiwan; Lien Chan [the KMT candidate in the 2000 presidential election] was the one who made all this possible for Yang. Lien did that because he needed Yang to work as a major pillar in the coming presidential election. It's very obvious. Once, on the eve of an election, the KMT released from prison more than thirty major *jiaotou* figures in the hopes that these people would campaign for the KMT candidate.

Worse, some gang-sweeps were believed to be a mechanism for people in power to wipe out the supporters of their political opponents. According to Chang An-lo, a leader of the Bamboo United and one of the most outspoken critics of the Chih-ping program: "Operation Chih-ping was basically an attempt to wipe out political enemies. Its main goal was to attack supporters of the New Party and James Soong."

A New Party city councilor echoed what Chang said:

Sometimes, a crackdown on gangsters is mainly a crackdown on Lee's [Teng-hui] opposition. Take a close look at those politicians who were labeled gang-

sters [during Operation Chih-ping], and you will find that many of them were supporters of James Soong. The crackdown was one way for Lee to attack the influence of Soong.

A former DPP legislator also holds the same view about gang crackdowns claiming that: "The KMT is a shrewd political party. The KMT's strategy was this: 'If you do not support us, we will treat you as a *heidao* figure; if you do support us, we will say you are a legitimate politician.'"

Wu Tse-yuan, a legislator who was an ardent supporter of the KMT before he became one of their targets, explained why he is now portrayed as a black-gold figure by the KMT:

I got myself into trouble with the law simply because I did not support a KMT secretary-general in his election, and he decided to get rid of me. That's why he made sure that I would be labeled a corrupt official. If they want to prosecute me as a corrupt official, they might as well go after all the government officials in Taiwan first, and look for me later.

The KMT's tactic of utilizing the criminal justice system to ensure the support of *heidao* is nothing new. The same strategy had been used to make sure local faction leaders would continue to support the KMT. According to Chen Dung-sheng (1995: 140):

... if local factions or their leaders expanded their power too rapidly and were on the verge of not cooperating with the KMT political machine, the latter could suppress local faction leaders through the judicial and intelligence systems. These methods—using legitimate forces on selective targets—were especially effective in controlling local faction people with complicated backgrounds and those who were heavily involved in illegal activities.

The same is true with police operations at the local level. Very often, a criminal suspect would seek the intervention of a local politician, and the latter would have no choice but to *kuan sor* (to have a concerned talk with the relevant authorities). In sum, justice in Taiwan is highly selective because extralegal, especially political, factors play a prominent role in the criminal justice process.

Immunity for Elected Deputies

In Taiwan, members of the National Assembly as well as legislators in the Legislative Yuan are protected under an umbrella of immunity by the constitution. That is, once they are in session, they are immune from any arrest or detention unless the assembly or the Legislative Yuan approves disciplinary action. According to Article 4 of the Additional Articles of the Constitution of the Republic of China, "no members of the Legislative Yuan may, except in cases of *flagrante delicto*, be arrested or detained without the permission of the Legislative Yuan when that body is

in session" (*Taipei Times* 2000c: 4). The elected representatives at local levels—city and county councilors—are also legally entitled to immunity from arrest or detention as long as councils are in session. Cases exist, in fact, where members of local assemblies have even tried to prevent their own members from being arrested by convening special council sessions during normal adjournment periods.⁷

On October 29, 1999, the Judicial Yuan released its database of charges brought against elected representatives. Their number totaled 205. Representatives with court records included 15 National Assembly members, 35 legislators, 109 city and county councilors, and 46 town representatives. The secretary-general of the Judicial Yuan told a reporter (I. Lin 1999b: 1):

Some of them have used a variety of excuses to avoid appearing in court. They always seem to have meetings to attend when they should be appearing in court. And they often feel the need to take an overseas trip at times inconvenient to the court. These things make it difficult for the court to process their cases.

Heavy Reliance on Gang-Sweeps

In Taiwan, whenever the rich and the powerful become victims of violent crime, law enforcement authorities feel enormous pressure from top leaders to quickly restore law and order. Police authorities are likely to conduct massive, nationwide arrests of suspected gang and *jiaotou* figures, regardless of whether they were responsible for the violent incidents or what impact their arrest may have on reducing crime. According to Lee Yung-ching (1996), a criminologist with the Central Police University, the violent crime rate and extortion crime rate in Taiwan were not affected by the various gang-sweeps.

During ordinary times, the police would not bother to investigate crimes committed by powerful people. Only if there was a major crackdown on gangs and organized crime would the police investigate the very powerful figures. According to a prosecutor:

We can only initiate a major operation when the time is right for us to get at the major *heidao* figures. During ordinary times, most prosecutors are overwhelmed with cases, and they don't have time to launch a major investigation against certain well-known *heidao* figures. Only when we have an operation like Chih-ping can we concentrate on specific targets and do our work with the full support of the head of the Ministry of Justice and NPA. Under those circumstances, we, the prosecutors, can order the police to work for us. If there's no special operation, we can't really ask the police to investigate someone. They will simply ignore us. Besides, you have to understand that if we investigate an influential figure like Lo Fu-chu, there could be a major political crisis. It's not simply a law and order issue if we go after the legislators or National Assemblymen.

Many *heidao* figures and law enforcement officers I interviewed thought that the massive arrests of underworld kingpins only resulted in the temporary re-

moval of a group of well-established leaders who were then replaced by their probably hungrier and more violent underlings. According to a *heidao* figure: "When you have gang-sweeps, all the big brothers are imprisoned and the little brothers, without experience, become big brothers. Once they are big brothers, they are under pressure to make money to support their gangs, and that's why they are more likely to get involved in all kinds of illegal activities."

Gang-sweeps not only disrupted the social order of the underworld, but also did not have much impact on the well-being of the average citizen because *heidao* figures usually victimized the rich and powerful, not ordinary people. In a sense, the massive arrests of *heidao* figures only benefited the status quo (Wang Fung 1997).

In sum, as Nan Fang-shou (2000: 8), a legal scholar, commented:

For a long time, Taiwan's law enforcement bodies have been very good at "selecting targets" in their so-called "investigations." Amid the sea of tip-offs and complaint letters, those against people in power or their relatives never draw the investigators' interest. After giving each case thorough "consideration," the investigators are often too lazy to do the basic homework—collecting hard evidence. Instead, they launch whirlwind raids. Any evidence found during the raids is then used to justify their lawlessness and crassness. If no evidence is found, they go around telling people how cunning their target has been, how he or she has destroyed the evidence. . . . No matter who the suspect is, they should collect criminal evidence by legal means before starting searches and arresting people.

Conclusion

Over the past twenty years, in their attempts to deal with the increasing threat of organized crime, Taiwan authorities conducted numerous gang-sweeps, revised the Anti-hoodlum Law, and passed the Organized Crime Prevention Law. As a result, thousands of hoodlums were arrested annually, and hundreds of them fled Taiwan and established strongholds in China and several other Asian countries. Yet, after all these measures were adopted, not only have organized crime groups continued to grow unabated, their penetration into the business and political spheres in Taiwan has caused people to wonder whether the island is on its way to becoming a mafia state.

Many in Taiwan believe that the KMT is responsible for the growth of organized crime in Taiwan. They think so because the party, while it was in power, not only allowed *heidao* figures to indulge in a variety of criminal activities, but also let them run for public office. It is widely believed that had the party decided to wipe out the Taiwanese underworld, it could have done so with relative ease because of the visibility of the *heidao* figures and the party's enormous law enforcement resources. However, to continue to exist as a ruling party, the KMT was in a bind when it came to the fight against organized crime, as Tien (1996: 15) has noted:

The KMT is now in a no-win situation. Failure to prosecute guilty parties would further the KMT's image as a corrupt political machine. Successful prosecu-

tion, however, which may involve most city and county councils, could severely shake the KMT's local electoral foundation. Without the support of local factions and their controversial vote-getting practices, the party in power may face a stunning reduction in its reliable voter base.

In the 1980s, when the KMT encountered external challenges from the DPP and internal challenges from the nonmainstream KMT members, it relied on local faction leaders for the control of local politics, business tycoons for campaign finance, and *heidao* figures for force and muscle. As the threat to KMT supremacy continued to grow in the 1990s, the party intensified its reliance on the three groups cited above by ushering them into the realm of both local and national politics. Consequently, to make sure these groups followed the party's orders, crime control strategies and decisions became politically charged and highly partial. Those local faction leaders, businessmen, and gangsters who failed to support the KMT were labeled "hoodlums," and those who followed the orders of the KMT were allowed to enjoy both political status and business opportunities. The KMT, knowing that all the local faction leaders, businessmen, and gangsters were vulnerable to various pressures should they become uncontrollable, thought it was wiser to use these people—rather than upstanding politicians—to sustain their political supremacy.

Under such circumstances, it is easy to understand why people who were targeted by the Taiwanese authorities during gang crackdowns cried foul whenever they were arrested. They believe, and to a certain extent their beliefs are valid, that they became "hoodlums" simply because the KMT wanted to get rid of them for their insubordination in the party.

In fact, the KMT's alliance with the underworld is not new. When Chiang Kai-shek was fighting against the Communists in China in the early twentieth century, he relied heavily on secret societies in the Shanghai area to crush the Communist-controlled labor organizations (Martin 1996). The current black-gold phenomenon in Taiwan is, in a sense, just an extension of the age-old symbiosis between organized crime and politics in Chinese society, though the link between organized crime and politics in contemporary Taiwan may have intensified and magnified because of the rocky transition from an authoritarian to a democratic state.

8

Internationalization of Taiwanese Organized Crime

Just prior to the launching of Operation Cleansweep in 1984, and again with the approach of Operation Thunderbolt in 1990 and Operation Chih-ping in 1996, hundreds of fugitives fled Taiwan to seek refuge overseas. Even though they initially had no intention of staying away from Taiwan for long, they ended up living abroad for months, or even years; typically, these antigang programs lasted for years. As many fugitives started new lives abroad, they not only became entangled in the affairs of overseas Chinese communities, but also established connections with local crime groups in the host societies. According to the media and law enforcement authorities in Taiwan, due to the fugitives' strong connections with their followers in Taiwan, and their tendencies to travel frequently from one country to another, they soon established a worldwide network among themselves. Thus, according to some western observers, the Taiwanese became the most powerful and important ethnic group in transnational Chinese organized crime in such areas as human smuggling and drug trafficking (Hood 1993; Myers 1996).

Despite the magnitude of the alleged problem, there has been little scholarly research on the internationalization of Taiwan-based crime groups. In this chapter, I will discuss the diffusion of Taiwanese gangsters to various countries and the experience and activities of big brothers abroad. Moreover, the impact of Taiwanese gangsters on the host societies and the extent of their involvement in transnational crime will be assessed. Finally, I will evaluate the assumption that the outflow of Taiwanese gangsters has made them one of the emerging groups in transnational organized crime in the new millennium.

Japan

In the 1970s, when the Japanese economy was at its peak and the Taiwanese economy had yet to blossom, a large number of people from Taiwan, especially sex workers, went to Japan to make money. For many bar girls and prostitutes, an opportunity to go to Japan was a dream come true because Taiwanese women were very popular

in Japan and could increase their income significantly. According to Taiwan authorities, there was a close connection between crime groups in Taiwan and Japan, especially in the sex and drug businesses. In the 1970s and 1980s, some Taiwanese crime groups, especially the *jiaotou* groups, were actively involved in transporting women into Japan for prostitution. Most prostitutes arrive in Japan with tourist visas. Once in Japan, the women are turned over to the Japanese crime groups. During those two decades, crime groups in Taiwan also worked closely with Japanese crime groups in arranging sex tours to Taiwan.

Most Taiwanese women ended up working in Shinjuku, the most vibrant part of Tokyo. The commercial district is packed with office buildings, shopping centers, and night spots. Kabukicho, the red-light district of Shinjuku, was reported to have thousands of massage parlors, hostess clubs, pornographic theaters, pantyless tearooms, sex shops, and other adult entertainment establishments.

Of the more than 3,000 hostess bars in the Shinjuku areas, about one out of three was a Taiwanese-owned bar. About ten girls worked in each bar, and it was estimated that at one time, more than 100,000 Taiwanese females were working in the area. Many Taiwanese sex workers in Tokyo were lonely and bored, and their main entertainment was gambling. Consequently, *heidao* figures became the key figures in the operation of gambling establishments catering to Taiwanese sex workers in Japan (Chen Nien 1987).

As more and more Taiwanese gang members began to arrive in Japan in the mid-1980s, Japanese authorities came to realize the need to work closely with their counterparts in Taiwan. As a result, two extremely violent underworld figures—Liu Hwan-rung and Chi Wei-sen—were deported back to Taiwan from Japan in 1986. Both of them had gone to the Philippines from Taiwan (Liu in 1985 and Chi in 1983), and after their participation in a heinous crime in Manila, they escaped to Japan in 1986.

Violence erupted often among *heidao* figures in Tokyo. A fugitive from Taiwan, Chi Ray-sen, the little brother of Chi Wei-sen, was shot to death in February 1987, allegedly by Yang Swan-wu (Chen Nien 1987). In 1983, Yang Swan-wu, one of the most notorious crime figures in the history of Taiwan's underworld, fled to Japan after he was listed by police as the most-wanted fugitive. Yang was born in Kaohsiung to a mainland Chinese father and a Japanese mother. Yang was arrested for murder when he was only sixteen, and after being detained in a reform camp for three years, was rearrested again in 1970 and sent to Green Island as a hoodlum. He escaped from the reform camp, and, in 1982, while being sought by police officers, he shot and wounded one of them. Altogether, Yang was alleged to have been involved in sixteen murders or serious assaults (Kao Sun 1983).

Ten months later, a notorious Four Seas leader, Liu Wei-ming, and one of his followers were slain in a gambling house by Yang and his Japanese associates who belonged to a branch of the Yakuza. The deadly confrontation occurred when Yang wanted a part of the profits from a gambling club operated by Liu's

gang (*Scoop Weekly* 1987). Liu Wei-ming had become a well-known *heidao* figure after his involvement in the stabbing of a famous Hong Kong movie star, Wang Yi, in Taipei. Liu escaped to the Philippines during Operation Cleansweep. After Liu was threatened by a group of Bamboo United leaders also hiding out in the Philippines, he moved to Hong Kong and Macau. Later, he went to Tokyo.

In the aftermath of the killing of Liu Wei-ming, Japanese authorities conducted a major operation to wipe out Taiwanese gangsters in the Shinjuku area. Taiwanese sex workers in the area were also targeted (Chang Teh-len and Chang Kuo-li 1987).

In the late 1980s, close to ten thousand migrants from Taiwan lived in Shinjuku; these Chinese were only a group of poor wanderers trying to make a living abroad. Because they were an odd mix of people living in an unfamiliar world, there was no way for them to establish their own turf, much less to develop a sphere of influence by moving in on the Yakuza's territories (Chen Jer-jen 1987).

In the early 1990s, a large number of mainland Chinese began to migrate abroad, both legally and illegally (Chin 1999). Many illegal migrants went to affluent neighboring countries such as Taiwan, Japan, and Australia. The flow of mainland Chinese into Japan altered the balance of power in the Shinjuku area (Si Yeh 1998b). As Taiwan began to prosper, and the Japanese economy began to slow down, fewer Taiwanese women went to Japan to work in the sex industry; and as China improved its relationship with Taiwan, more and more Taiwanese brothers began to go to China. Consequently, only a few Taiwanese brothers now go to Japan, and if they do, their only way to make a living is through the operation of gambling dens. However, with the number of gamblers from Taiwan on the decline, their survival in Japan has become all the more difficult (Ker Su-len 1993).

There is no evidence to suggest that brothers from Taiwan are being recruited by powerful Japanese organized crime groups or are involved in lucrative illegal activities. Their role in the Japanese underworld is marginal at best. They mainly rely on income generated by gambling dens catering to Taiwanese sex workers in Japan; however, as the number of Taiwanese bar girls and prostitutes has dwindled recently, so has the number of Taiwanese brothers in Japan.

Southeast Asia

The Philippines

The Philippines has long been one of the most popular havens for Taiwan's *heidao* figures because it is relatively easy to be smuggled into the country by boat. For instance, Liu Hwan-rung, a Bamboo United member who killed at least three people in Taiwan, escaped to the Philippines in a fishing boat. After his arrival in Manila, he was alleged to have been involved in a mass murder in which several adults and children were killed. Liu later traveled to Thailand, Hong Kong, Singapore, Malaysia, Korea, and Japan (Liu Hwan-rung 1987). Another Bamboo United member, Tung Kwei-sen, the person who shot Henry Liu and was

sought by the Taiwan police, also fled to the Philippines. Just like Liu Hwan-rung, Tung later traveled to other countries such as Thailand and Brazil. When Taiwan police tried to arrest Hsu Jin-teh, one of the most notorious gun smugglers in Taiwan's history, he, along with four other co-conspirators, fled to the Philippines. Each of them had to pay only NT\$150,000 to the fisherman who helped them escape in his fishing boat (*China Times Weekly* 1987).

Other fugitives left for Manila from the Taipei Airport carrying fraudulent visas and passports. Many well-known *heidao* figures stayed in the Philippines for some time after fleeing Taiwan. They include Nien Chung-len (a vice speaker of Changhua County Council who was charged with murder), Lee Yueh-per (the leader of the Kaohsiung-based Sa Jia Ti gang), Liu Wei-ming (a Four Seas leader who was later killed in Japan), Huang Shao-ching (aka Yao Yao, a leader of the Bamboo United), Jan Lung-lan (a killer and an arms trafficker), and Feng Jia-chen (aka Er Ma, another Bamboo United leader).

According to the authorities, about 20,000 Taiwanese fugitives were living in the Philippines in 1990. The majority (about 80 percent) were not *heidao* figures, but other lawbreakers, mostly people who had committed fraud in Taiwan (*United Daily News* 1990).

Even though it is still relatively easy to enter clandestinely into the Philippines, *heidao* figures are becoming reluctant to go there because authorities in both countries have established a close working relationship. Over the past fifteen years, many fugitives hiding in the Philippines were arrested and deported back to Taiwan, and on many occasions the Taiwanese police have gone to the Philippines to work hand-in-hand with the authorities there.

Thailand

Thailand is another Southeast Asian country with a large number of fugitives from Taiwan, many gang and *jiaotou* figures settling primarily in Bangkok. Yang Swan-wu, a notorious gangster who left Taiwan for Japan and was wanted by the Japanese authorities for murder, was arrested in Thailand in 1990 and subsequently extradited to Taiwan (Chao Mu-sung 1990d).

Because Bangkok is a major transit point for illegal Chinese immigrants coming into the United States and Europe (Chin 1999), police authorities in the West have assumed that many Taiwanese gangsters in Bangkok were deeply involved in the human trade of migrant Chinese, a multi-billion dollar business that rivals Southeast Asian's heroin industry (Myers 1997). However, according to an anti-smuggling police officer from the CIB, most Taiwanese fugitives in Bangkok are people from Taiwan's travel industry; they are the very people who are involved in the Chinese human trade, not gang and *jiaotou* members:

We know the people who are involved in this business in Thailand. Basically, it's the same group of people who had been doing this while they were in Tai-

wan. They are not members of crime groups such as the Bamboo United and the Four Seas. Taiwanese *heidao* in Thailand may know these human smugglers very well, but they maintain a close relationship with them mainly for their own purpose, for instance, sneaking in and out of Taiwan with the help of these smugglers.

A Taiwanese in Bangkok who is involved in both human smuggling and illegal gambling operations told me:

There's very little that a brother can do in Thailand. First of all, although there are no organized gangs in Thailand, illegal activities here are dominated by powerful groups with close ties to government authorities. Owners of gambling dens and nightclubs do not have to pay protection money to gangsters, but they do have to pay the authorities, for example, the police. If a Taiwanese brother tries to extort money from a nightclub owner, the latter will definitely report this to the police and the police will absolutely do something about it. Moreover, there is a relatively good relationship between Thai and Taiwan authorities. As a result, a Taiwanese brother would have second thoughts about coming to Thailand. He will prefer to go somewhere else, like Cambodia. Also, Taiwanese businessmen here are not easy to approach. They do not come into contact with local Chinese or Taiwanese who are not businesspeople. Consequently, it is quite difficult for Taiwanese brothers to exploit the businessmen from Taiwan.

Vietnam

Vietnam adopted an open-door policy in the early 1990s and encouraged capitalists from abroad to invest in its economy. This, along with Lee Teng-hui's suggestion to the country's businesspeople in 1995 to "go south" (investing in Southeast Asian countries instead of the West or China), caused many enterprising Taiwanese to flock to Vietnam. As they went "south," Taiwanese brothers followed suit. According to a report in the *United Daily News* (1997), about 800–900 brothers were in Vietnam by 1997.

A brother whom I interviewed in Ho Chi Minh City (formerly Saigon) told me:

I came to Vietnam three years ago. After I found out that it is a good place to live, I decided to stay here most of the time. For me, there is not much to do here because there are not many money-making opportunities. I have a few brothers under my command, and we help Taiwanese businessmen here settle their disputes. There are also Vietnamese gangs here, but we will never get into any conflicts with them because, the bottom line is, it is their territory. It is impossible for us to be in command here.

Another brother from Taiwan, one of the original leaders of the Bamboo United, told me of his idea to relocate Chen Chi-li to Vietnam from Cambodia:

Initially, I was thinking about arranging to have Chen come over to Vietnam, mainly because Vietnam had more business potential. Besides, there was not

much future for him in Cambodia with his lumber business. Taiwan authorities, however, had a very good relationship with Vietnamese authorities, including a kind of informal office here. I couldn't guarantee Chen's safety here, so I gave up the idea.

Cambodia

The spread of Taiwanese gangsters to Cambodia is a recent phenomenon. The first group of around 100 Taiwanese businessmen went to Cambodia in 1992 as that country was recovering from the chaos of a twenty-year civil war. Most of the "first group" of entrepreneurs were land buyers and owners of concrete, construction, and logging companies. In 1995, after Taiwan adopted the "go south" policy, the number of Taiwanese businessmen in Cambodia reached nearly 4,000. These were known locally as the "second group," whose investment was mainly in the garment and shoe industries. Taiwan was the second biggest investor in the country with a total capital investment of about US\$140 million. In 1995 Taiwan had a representative office in Phnom Penh staffed by five officials from the Ministry of Foreign Affairs and the Ministry of Economic Affairs. In 1997 the office was shut down by Hun Sen, Cambodia's coprime minister at the time, after he launched a coup against his rival, Prime Minister Norodom Ranariddh, whom the Taiwanese authorities were alleged to have supported (S.H. Liu 2000d). Many of the Taiwanese in Cambodia at the time had to leave, resulting in the decrease of Taiwanese businessmen in Cambodia from a peak of around 4,000 in 1997—with about 150 companies—to less than 400 in the year 2000. After that, the new group of Taiwanese were minor players and opportunists who had little or no support from the government in Taiwan (S.H. Liu 2000b).

Most Taiwanese businesspeople settled in Phnom Penh, a city with many brothels and nightclubs, which also attracted a large number of Vietnamese women who crossed the border to earn money in Cambodia (Giboa 2001). In Phnom Penh, it is estimated that at least 4 percent of the population is infected with HIV, according to a 1998 report released by the Ministry of Health (S.H. Liu 2000d).

According to a Taiwanese businessman in Phnom Penh, there are three kinds of Taiwanese in Cambodia: legitimate businessmen, fugitives, and Chih-ping targets. Media in Taiwan reported that in the late 1990s, Cambodia had become the second most popular destination for Taiwanese brothers (China was the most popular). However, when Chen Chi-li, the spiritual leader of the Bamboo United, was asked how many brothers from Taiwan were in Cambodia, he said:

There are not many brothers in Cambodia. The media just made it up. It is not easy to survive here. The cost of living here is as high as Los Angeles! How could the brothers make it here? Yang Teng-kwei came and stayed for two weeks and left in a hurry. Just think about it! The number of Taiwanese businessmen has fallen from 3,000 to 1,000, and then to 500. Now there are only 200 or 300

in Cambodia. Even Taiwanese businesspeople could not make a living here, not to mention the brothers.

The most famous brother in Cambodia is undoubtedly Chen Chi-li, the charismatic leader of the Bamboo United. His royalist existence in Cambodia in the late 1990s, especially his close ties to Hun Sen, the paramount leader of Cambodia, was often reported in Taiwan's media (Liang Tung-ping 1997). According to Liu Shao-hua of the *Taipei Times* (2000c: 1):

Chen is known as "Prince Chen Ly" in Cambodia, where he is also the proud owner of a pass which entitles him to travel wherever he pleases, no question asked. . . . He donates around US\$10,000 every year to the Cambodian Red Cross, whose president is Bun Ray Hun Sen, wife of Premier Hun Sen. . . . The depth and breadth of Chen's relations in Cambodia are said to have made him a magnet for many Taiwanese businessmen, especially minor and private investors, many of whom encounter, in particular, financial difficulties. He is said to be able to help in various ways, particularly with negotiations and financial support.

When I interviewed Chen in Phnom Penh in 1999, he told me he did spend plenty of time solving problems for businessmen from Taiwan:

Over the past two years, I spent most of my time helping Taiwanese businessmen solve their problems. Many Taiwanese businessmen come here to buy land. Since they do not understand Cambodian law, and because local Chinese and Taiwanese government officials here often take advantage of them, there are many disputes. These land buyers then seek help from me. One case after another, I have solved almost all of the cases involving Taiwanese businessmen in Cambodia.

Even though he is busy and lives a relatively comfortable life in Cambodia, Chen is not exactly content with his situation there. He said: "What is important for me now is to be happy. In Cambodia, a person can get sick easily. Water quality here is poor; and there are so many bugs. There are many diseases, and after you get infected, it's not easy to get cured." Why is Chen willing to remain in Cambodia? Why not return to Taiwan or move to another country? A Bamboo United leader in China explained to me Chen's predicament:

It's not that Chen Chi-li can't go back to Taiwan. If he returns to Taiwan, there won't be much of a problem from the authorities. What can Chih-ping prosecutors do to him? If he goes back, however, he would have to face a number of debtors. After he left Taiwan, most of his companies there basically collapsed. How is he going to take care of the many debts he owes? Moreover, his project in mainland China (the construction project on Meizhou Island) has already come to a halt. He has collected member fees from hundreds of people that amount to about NT\$300 million, and there's no way he can refund the fees. He can't go back to Taiwan because he doesn't have the money; that's the real reason.

In July 2000, Lee Jim-hsin, the head of the Taiwanese Business Association in Cambodia, was shot to death by two hired gunmen (S.H. Liu 2000a). Lee was killed after he was entangled in a business dispute. Right after the murder, dozens of reporters from Taiwan flocked to Phnom Penh to cover the story. Most of them tried to interview Chen Chi-li to find out more about the killing. When a group of reporters from a major television station in Taiwan interviewed Chen in his home in Phnom Penh, Chen criticized Cambodia for its lawlessness, and he brought out a large cache of weapons to make the point that guns were to be had for the asking. After the television station in Taipei aired the interview with Chen, Cambodian authorities raided Chen's home and arrested him. Police found twelve automatic rifles (AK-47s and M-16s), eight pistols, a grenade launcher, knives, and more than 2,000 rounds of ammunition in Chen's home.

Chen was detained for more than a year before he was released in August 2001. He was convicted of illegal possession of weapons and sentenced to three years in prison. The court released Chen after citing the one year he had already spent in Phnom Penh's National Military Police Headquarters after the raid on his home in July 2000. The judge suspended the other two years of his sentence and dismissed charges of his involvement in organized crime and the use of North Korean diplomatic license plates. Within days of Chen's release, the leader of the DPP caucus in the legislature flew to Cambodia to meet with him, allegedly to persuade Chen to return to Taiwan instead of going to China, a move that was viewed as a potential embarrassment for Taiwan authorities. Chen, however, decided to remain in Cambodia.

The saga of Chen's arrest and subsequent release is over, but the problem of Taiwanese gangsters in Cambodia has not been solved. According to Cambodian military intelligence, at least thirty major Taiwanese gangsters are currently living in Phnom Penh, including Wu Tung-tang, the leader of the Celestial Alliance's Sun Branch. Wu had been in and out of China for almost a decade and invested heavily in Fuzhou; in 1999 he was forced to leave that city after an affair with the mistress of a high-ranking official there. Because Taiwanese passport holders are allowed to apply for a visa upon arrival in Cambodia, and because there is no formal diplomatic tie or law enforcement contact between Taiwan and Cambodia, gangsters in Taiwan will continue to view Cambodia as a safe haven.

Hong Kong and Macau

Triad societies or organized crime groups in Hong Kong and mainland gangs in Taiwan have always maintained a close relationship because of demographic and cultural proximity (Dubro 1992). Consequently, Hong Kong fugitives often flee to Taiwan, and Taiwan fugitives frequently go to Hong Kong to avoid prosecution. Triad members involved in drug trafficking often smuggled heroin from Thailand to Taiwan via Hong Kong. The Bamboo United established a branch, the Chao Tang, in Hong Kong in the early 1980s. However, because the criminal

market in Hong Kong is tightly controlled by both triad societies and violent criminals from mainland China, crime groups from Taiwan have never been able to exert much influence on the Hong Kong underworld. After Hong Kong was returned to China by the British in 1997, the ties between Hong Kong-based triads and Taiwan-based crime groups weakened, as both groups became more interested in establishing a close relationship with China-based crime groups and Chinese law enforcement authorities, in the hope that they could expand their criminal activities to the mainland (Lin Hsin 1996b).

When Operation Chih-ping was launched in 1996, many big brothers fled to Macau, a Portuguese colony near Hong Kong famous for its Las Vegas-like atmosphere. Even though Macau was about to be returned to Chinese rule in 1999, many brothers viewed the colony as an ideal place to go when they were in a hurry to leave Taiwan. Macau is an hour's flight from Taiwan, and visas are easily obtainable for Taiwanese citizens. Besides, some Taiwanese gangsters had moved their gambling businesses to Macau in the aftermath of Operation Thunderbolt. However, Macau was only their first stop. After staying there for a short period of time, these brothers went on to Guangzhou, Xiamen, and Shanghai, or to such Southeast Asian destinations as Thailand, Singapore, and Malaysia. Some brothers continued on to the United States and Canada (Lin Chao-hsin 1996c).

Taiwanese brothers stayed away from Macau even though they sometimes used it as their springboard to other safe havens. Not only was it hard to make money there, but also it was difficult for brothers to hold onto their money because there were so many gambling casinos. Besides, Macau is a tiny area occupied by gambling and sex establishments; Taiwanese gangsters there could get bored after a short stay. A brother who planned to settle down in Macau but has since moved to China told a reporter:

It was quite exciting at the beginning because there were so many sex and gambling establishments. But after a while, it was not only costly and bad for your health, but also boring. Every day you wake up, and you need to think hard about where to go to eat because there are not so many choices. After staying in Macau for a short period of time, you really get bored. (Liu Yi-hung 1999b: 13)

China

China is currently the country with the largest number of Taiwanese brothers (*China Times Weekly* 1999a). After China adopted an open-door policy in the early 1980s, it subsequently allowed people from Taiwan to visit the mainland. As a result, millions of former mainland Chinese now living in Taiwan traveled to China to meet families and relatives they had not seen for almost forty years. As China began to transform itself into a market-oriented economy, thousands of Taiwanese businessmen moved their manufacturing factories to China to take advantage of the country's cheap labor and land, not to mention its policy of

offering attractive incentives to Taiwan's entrepreneurs (Kemenade 1997). By the year 2000, about 400,000 Taiwanese business firms were in operation throughout China.

The warming relationship between China and Taiwan also led big brothers to flee to China when they were wanted by Taiwanese authorities (Chang Jiao 1996). The first big brother to arrive in China was Chang Jen, leader of the Ying Chao *jiaotou* group in Taipei. Chang, a mainlander, arrived in Fuzhou in 1987; later, he moved to Beijing and obtained a Beijing resident's ID. While in China, he was alleged to be involved in arms trafficking, though he had other businesses, such as antiques trading. He was arrested in Beijing in 1992 and deported back to Taiwan (Lee Jor-ping 1992a).

The massive exodus of fugitives to China began during the 1990 Operation Thunderbolt, three years after modern-day Taiwanese were first allowed to visit China. While most Operation Cleansweep targets escaped to Japan, the Philippines, and Thailand, the majority of Operation Thunderbolt suspects fled to China, including well-known gangsters such as Wu Tung-tang of the Celestial Alliance.

According to Chinese authorities, the arrival of Taiwanese crime figures in 1992 signified a new trend: Brothers were beginning to come to China voluntarily instead of being forced to do so because of police crackdowns (Liu Jen-ji 1992). According to a media report, 300 *heidao* figures left Taiwan for China after Operation Thunderbolt was launched (Lee Jor-ping 1992b). It is estimated that more than 1,000 brothers were living in China by 1999 (*World Journal* 1999). According to Lee Jor-ping and Chang Chi-chun (2000), the *jiaotou* and indigenous Taiwanese preferred to stay in Fuzhou and Xiamen, while mainland gang members were more likely to be found in Shanghai, Beijing, Shenzhen, and Haikou in Hainan Province.

Chinese authorities generally leave Taiwanese *heidao* figures alone as long as they do not commit crimes. In fact, ever since the recent increase in cross-strait interactions between the mainland and Taiwan, Chinese authorities have viewed the presence of Taiwanese gangsters from a purely economic perspective. No matter how serious the crimes these gangsters have committed in Taiwan, as long as they bring investment money with them to the mainland, they will be treated as "Taiwanese businessmen" by Chinese authorities (Lin Chao-hsin 1995b). A *jiaotou* in Beijing said:

We have no choice but to come to China. Don't think that it's easy for us to be here. If I commit a crime in China, the police will arrest me; they won't allow me to live freely here. But the fact that we are wanted as hoodlums in Taiwan means nothing to the Chinese authorities, or the rest of the world for that matter. No other country takes this Anti-hoodlum Law seriously. (Teng Chi-er 1995: 56)

In 1996, during Operation Chih-ping, China became the destination of choice for most Taiwanese fugitives. By 1999, the three largest crime groups in Taiwan

had each established a base in China: the Bamboo United in Guangdong and the Pearl River Delta area, the Celestial Alliance in Fuzhou and Xiamen, and the Four Seas in Shanghai and Haikou (*China Times Weekly* 1999a).

Fujian Province

When the late Chinese leader Deng Xiaoping adopted the "open-door policy" in the late 1970s, Fujian and Guangdong provinces were selected as the sites for China's experiment with a market-oriented economy (*United Daily's* Mainland China News Center 1993). Although Fujian was considered to have lagged behind Guangdong in economic reforms, the province was, in many respects, more developed than the rest of China (Duffy 1993; Lyons 1994).

Fujian Province has long been characterized as the home of outward-looking people who are active in sea trade and smuggling (Sun 1992; Seagrave 1995). Its two major cities, Xiamen and Fuzhou, each have a thriving seaport (Weng 1994). Xiamen had been selected by Chinese authorities to attract Taiwanese investors because Xiamenese speak *minnanhua* (the dialect of southern Fujian), the same dialect spoken in Taiwan. The Fuzhou area, which encompasses three cities and six counties, is situated in the northeastern part of Fujian Province.

Fujian Province is closest to Taiwan and shares with it many cultural aspects. Not only did the first group of legitimate Taiwanese businessmen settle in Fujian, but also the first wave of Taiwanese brothers. Their two main bases in Fujian were located in Xiamen and Fuzhou.

Xiamen

Xiamen, along with Zhuhai, Shenzhen, and Shantou (the latter three all in Guangdong Province), were the first four special economic zones established by the Chinese government to attract foreign investors. While investors from Hong Kong preferred to do business in Shenzhen, most of the early wave of Taiwanese investors went to Xiamen in Fujian Province (Yang Len-kai 1988). The initial group of Taiwanese brothers who went to China also selected Xiamen as their new home.

The first arrest of a big brother by Chinese authorities occurred in Xiamen. Jia Shi-wei, the leader of the Pine Union gang, was arrested in February 1991 by Chinese authorities for possession of fraudulent travel documents. Even though the Taiwan police made a request to extradite Jia to Taiwan, Chinese officials rejected the request. Four years later, Jia also became the first big brother to be killed in China. According to a media report, Jia was shot to death inside a restaurant by a hired gunman because of his role in a major financial dispute in Taipei (Lin Chao-hsin 1995b).

Besides the Pine Union gang, the Celestial Alliance also was active in Xiamen.

Some of the most influential Celestial Alliance leaders have settled in the city and are involved in a variety of businesses (Wang Fung 1996). Other *heidao* figures have gone to Xiamen when they are on the run from Taiwanese authorities. For example, Jan Lung-lan, a fugitive who had escaped from Taiwan many times, was arrested in Xiamen in 1998 and deported to Taiwan. Another notorious fugitive was Nien Chung-len, a former vice speaker of the Changhua County Council, who died in Xiamen after his car crashed into a pole while speeding away from the police in hot pursuit.

Fuzhou

Fuzhou is another city in Fujian Province where many Taiwanese gangsters, especially members of the Celestial Alliance, congregate. Wu Tung-tang, the leader of the gang's Sun Branch, fled to Fuzhou in 1990 during Operation Thunderbolt. Even though he was arrested in Fuzhou in March 1991 and extradited to Taiwan, he snuck back to Fuzhou a few years later. It is common knowledge that Wu and his associates own a luxury hotel in Fuzhou. As long as *heidao* figures behave like CEOs and not big brothers, they can stay in China without having to look over their shoulders. According to a foreign affairs officer of the Fuzhou Public Security Bureau:

The arrival of *heidao* figures really did not have any impact on law and order in Fuzhou. Nor was there any collaboration between Taiwanese gangs and local thugs (we do not have organized gangs) because local thugs did not like the idea of relying on Taiwanese gangs for money. As long as Taiwanese gangsters do not commit crimes here, we don't bother them. Even if Taiwan authorities cancel their passports, they can still stay here for a year with their Taiwan Compatriots Visa, and after the visa expires, they can ask for an extension. Besides, many of them do not come here with Taiwan passports; they use passports of other countries, for instance Singapore and the United States. Many of them have changed their names, and that makes it even more difficult to keep track of them. Generally, we wait for orders from Beijing on how to handle the brothers. Since there are no written instructions from Beijing, our policy is not to do anything proactively.

Even though there are relatively large numbers of brothers in the Fuzhou area, there is no evidence that they play a dominant role in the flourishing human smuggling in the area. The Taiwanese in the Fuzhou area who are involved in smuggling Chinese to Taiwan and the United States are not affiliated with the brothers (Chin 1999).

Guangdong Province

Three of the first four special economic zones of China were located in Guangdong Province, which is adjacent to Hong Kong, the financial and trans-

portation center of Asia. As a result, the province is considered to be one of the most politically liberal and economically aggressive areas in the country. It is also the province with the largest number of underworld figures from Hong Kong and Taiwan.

Shenzhen

Shenzhen is considered to be the "Hong Kong of China." The authorities are hoping to develop it into a commercial center to connect mainland China with Hong Kong and industrialized countries around the world (Kemenade 1997). For many young Chinese women, Shenzhen is the place to go if they want to work in the sex industry because hundreds of adult entertainment centers are located there, and a large number of businessmen from Hong Kong and Taiwan are active in the area (Lio Yeh-tse 1994).

The city is considered to be the major base of the Bamboo United in China, mainly because it is where one of the gang's most influential leaders, Chang An-lo (aka White Wolf), resides (Chao Mu-sung 1999; Pomfret 2000). Chang's presence in Shenzhen was often reported in the Taiwanese media (Teng Chi-je 1998), usually focusing on Chang's influence in Shenzhen, his close relationship with high-ranking government officials, and his involvement in the rice business.

I conducted four interviews with Chang in Shenzhen during my two visits to the city. Chang said: "Basically, I am doing fine here. After all, this is a Chinese society. China is like Taiwan was ten, fifteen years ago. It is very satisfying to witness the daily improvement of life in Shenzhen."

Changan

On my second visit to Shenzhen, Chang An-lo brought me to Changan, an industrial town not far away from Shenzhen where many brothers live. During my first meetings with Chang, he told me: "You should go to Changan and Hojer because many brothers are there, with a lifestyle that is typical of Taiwan *heidao*. They spend most of their money on two types of people: *xiaojie* [little sisters or sex workers] and *lingdao* [local officials]."

A *jiaotou* member I interviewed in Changan told me: "Around here, we all look up to *Bailang* [White Wolf] for leadership. He's the one who is in charge in this area and that means the Bamboo United is the most influential gang here."

Mr. Lin (not his real surname), an influential figure in Changan who is a Bamboo United associate and a "consultant" for the Taiwanese Business Association of Changan, said: "Here in Changan, and other areas in Dongguan and Shenzhen, we all look up to White Wolf for leadership. He is a man with a great reputation, and whenever he speaks, people listen." He went on to tell me:

In Taiwan, I often associated with Bamboo United members; as a result, people considered me a Bamboo United member even though I was never formally inducted into the gang. I am the consultant for the Taiwanese Business Association of Changan. Before that, I served as the leader of the Taiwanese Business Association of Hojer. To be a consultant means that I am responsible for solving problems involving Taiwanese businessmen here. I was not really that eager to take the position because it uses up a lot of time and energy, and my work is not necessarily appreciated by all parties involved.

With the help of Mr. Lin, I was able to interview seven brothers in Changan, among them some who were wanted by the authorities in Taiwan. A follower of Mr. Lin said:

I am on the run now because I got into trouble in Taiwan. I was planning to open a business store in Pingtung, but I received a notice from the police charging me as a chronic hooligan, and that's why I came to China. In fact, I wanted to leave Taiwan earlier because brothers in Pingtung were getting really out of control—their way of handling disputes was becoming more and more violent.

Another follower of Mr. Lin said:

I go back to Taiwan once a month. I am not on the run from the Taiwan authorities. I came here because my family urged me to do so. They don't want me to stay in Taiwan because they are worried for my safety. It's much safer here than in Taiwan.

A young brother from Changhua told me:

I am not a fugitive, nor is my boss. We all can go back to Taiwan whenever we want. My boss takes care of my living expenses, and whenever I need money, I ask him for it. Sometimes, I work with other brothers on the side to make some money.

One of the most important activities of brothers in Changan is *zhaoshi* (looking into affairs), an underworld term for settling disputes and resolving conflicts. Almost all the influential *heidao* figures in the area whom I talked to claimed that they are involved in helping Taiwanese businessmen settle disputes, like mafia gangsters in the United States who conduct "sit downs" where disputes are resolved. A Bamboo United brother told me:

When we settle conflicts, we also examine who is right and who is wrong. Most of the time, the disputes are peacefully settled because the two parties' brothers know one another. Most disputes among Taiwanese businessmen are either A owes money to B and refuses to pay, or A buys something from B and is slow in paying B. There are many disputes among Taiwanese businessmen

and whenever they have conflicts, they like to seek help from us because they don't have much confidence in the Chinese legal system.

Besides settling disputes, brothers in Changan are most likely to be involved in gambling operations. A brother from Pingtung said:

I used to operate a gambling den in Changan. In Pingtung, I was also involved in illegal gambling. Here, it's easier to operate a gambling den than in Taiwan because most people who come to our gambling dens here are businessmen; we don't have to worry much about extending credit to the gamblers and not being able to collect the money later. In Taiwan, a substantial proportion of customers in the gambling dens were brothers, and most of the time, brothers do not come to gamble with a whole lot of cash.

According to my subjects in Changan, in China it is easy to operate a *mahjong* place because there is no need to change locales often. Chinese authorities are highly unlikely to go after small-scale gambling operations. In Taiwan, in order to avoid police raids, these places need to relocate constantly.

Some brothers in Changan are involved in the nightclub business. A *jiaotou* member I interviewed in Changan told me he was planning to open a Taiwan-style nightclub there:

I had no choice but to come here. If I stayed in Taiwan, I might end up serving a five- to six-year sentence. I am not planning to go back anytime soon. I am now exploring the possibility of opening up a nightclub here; I want to transplant the Taiwanese system over here. I will order my employees to wear uniforms, and they don't have to go out with the customers if they don't want to. The girls could rely on their salaries and tips to live a comfortable life. I will recruit and train the girls myself, and that means I won't have any *mamason* in my nightclubs. You know, the *mamason* are only interested in making money, and they usually encourage their girls to go out with the customers. I want my customers to come and have a good time and not feel under pressure to take the girls out for sex. In other words, I want my girls to light up the atmosphere within the nightclub and not worry about entertaining their customers outside of the nightclub. This way, not only will the customers enjoy themselves, but also their expenses will be lower.

Some *heidao* figures are involved in the restaurant business. A brother who owned a restaurant told me how he got into the food industry:

I am now operating a restaurant in Dongguan City that sells snake meat. The restaurant opened two weeks ago. Mr. Hsieh [not his real surname], a businessman from Taiwan, has loaned the restaurant to me rent-free because I helped him take care of a gambling debt of ten million yuan he owed another Taiwanese businessman. A group of brothers from Tainan were coming over to Changan to settle it, possibly by taking over Mr. Hsieh's factory. Mr. Hsieh asked me for help, and I had the whole thing settled by having Mr. Hsieh pay the businessman NT\$700,000. Mr.

Hsieh initially said he could come up with only NT\$500,000, but the businessman and his people said no. So I asked Mr. Hsieh to come up with more, and he increased the amount to NT\$700,000. That was a pretty good deal for him.

It is not clear how brothers get along with each other in Changan. Some told me they were getting along fine, but some brothers said otherwise. For example, a subject in Changan said: "Brothers who were enemies in Taiwan became friends after they came to China. That's because we all realize that we have to coexist in a new environment. We all get along quite well here." Another brother told me: "Changan is very peaceful; there are not many gang clashes here. That's because of XXX's [Mr. Lin's] presence. He makes sure that there are no major conflicts among the brothers here; he also won't allow brothers to get involved in reckless acts." On the other hand, a Bamboo United member said: "Brothers in Changan are not united; we often have conflicts. The main reason is that brothers often use their company [gang] names even though they are doing things on their own; that could easily lead to a misunderstanding."

Chinese authorities have said that after the arrival of gangsters from Hong Kong and Taiwan, local thugs became more organized and mafia-like (Booth 1999). A brother in Changan characterized the relationship as follows:

Local Chinese brothers came to rely on us because Mr. Lin had a good relationship with Chinese government officials. Sometimes, they asked us to help them solve their problems with the authorities. Besides, we are financially much stronger than local brothers.

A Taiwanese brother from Changhua told me about his relationship with gangsters from Hong Kong, Macau, and China:

I just came back from Haikou, where we operate a gambling place with a group of 14K [a Hong Kong-based triad society]. They are very smart. Now that Macau will be returned to China, many brothers from Macau are now coming to Changan to develop their businesses. We get along with Macau brothers very well, and we are somewhat acquainted with the local brothers. Local brothers are not up to par; sometimes I wonder how such people could become brothers.

In addition to Shenzhen, Changan, and Hojer, Dongguan is also a favorite place for *heidao* figures because of the large number of Taiwanese shoe manufacturers there. Approximately 30,000 Taiwan citizens are believed to work and live in the area. Dongguan is called the "mistress village" because many married business owners from Hong Kong and Taiwan have mistresses there (Lin Chao-hsin 1998). In June 2001, as part of a strike-hard campaign against crime, Chinese authorities in Dongguan arrested seventeen Celestial Alliance members, charging them with murder, illegal possession of firearms, kidnapping, and extortion. The incident demonstrated that more than one Taiwanese gang was

active in the area, despite media accounts describing it as the turf of the Bamboo United (*World Journal* 2001).

Zhuhai

As a special economic zone located in the Pearl River Delta, Zhuhai, like Shenzhen, is a rapidly developing city with a large number of entrepreneurs from Hong Kong and Taiwan. Its physical proximity to Hong Kong and Macau, plus the local authorities' hands-free approach, make it an attractive place for foreign investors. Zhuhai is also reported to be the territory of the Bamboo United. I interviewed several Bamboo United leaders in Zhuhai, including one who said:

No matter how well we are doing here in Zhuhai, we all miss our homeland; we all want to go home. However, we get along very well with local brothers in Zhuhai. All brothers from Taiwan who are here get along peacefully.

Hainan Province

Hainan Province is a small island located off the coasts of Guangxi and Guangdong provinces in the south. Haikou City, the capital of Hainan, is notorious for its flourishing sex industry (Wan Su-sen 1994). The media in Taiwan reported that a relatively large number of *heidao* figures have settled there.

I was able to locate a Four Seas leader in Haikou and interview him. According to the gang leader:

There were almost 2,000 Taiwanese firms in Haikou in the past. Now, there are only 400. Compared to the 7,000–8,000 Taiwanese firms in the Dongguan area, the presence of Taiwanese firms in Haikou is relatively insignificant. There were never many Taiwanese brothers in Haikou; we can almost count how many we still have here. The economy of Haikou has declined significantly since 1993. It was very good in 1991 and 1992. I do not get involved in settling disputes here. First of all, you can only make so much money from this type of activity. Secondly, people would think that you associate with a group of thugs to do so.

Shanghai City

As the most glamorous city in China, and the center of Taiwanese business activities in China, Shanghai is undoubtedly the most attractive place for Taiwan's *heidao* figures. Since the early 1990s, a large number of both Taiwanese and mainland underworld figures have settled in Shanghai (Su Jee-liang and Chen Li-fei 1996). Even though it is considered by the Taiwanese media to be the turf of the Four Seas, members of the Bamboo United and the Celestial Alliance are also active there.

One of the best-known Taiwanese gangsters in Shanghai is Yang Kuan-nang,

the top leader of the Four Seas. Yang fled Taiwan in November 1996 after he was listed as a Chih-ping target for his involvement in loan-sharking and debt collection. When he was arrested in March 1999 for being involved in a fight, Chinese authorities put Yang on a plane headed for Macau, in the hopes that he would be arrested by Taiwanese police officers waiting in Macau, but somehow he was able to evade the Taiwanese police officers at the Macau airport (Liu Yi-hung 1999a). In November 2000, a week after Yang sneaked back to Shanghai, he was arrested again. This time, he was extradited to Taiwan. The court in Taiwan found Yang guilty of operating an organized crime group and sentenced him to jail for twenty-two months (I. Lin 2001).

The Bamboo United also maintains a strong presence in Shanghai. Some of the gang's original leaders are living in the city and involved in a variety of businesses. A Bamboo United leader I interviewed in Shanghai, who dressed and spoke like a corporate raider, told me how he was doing in Shanghai:

I am a Beijjngnese. I am already very much adapted to Shanghai and doing very well here. Our company has recruited many local talents. Combining our business acumen with their practical experience, our company is doing quite well. I have already moved my children here, because schools are better than those in Taipei. Whatever you can get in Taipei, you can get here, too. Also, there are things here that you won't find in Taipei. It's a mess in Taiwan now, and there is no reason to stay there. The truth is, the world is big. Once you have decided to leave Taiwan, you can always find another haven somewhere else.

Our company is basically a consulting firm. We act as the trouble-shooters and arbitrators in the business world. For example, if a company has cash-flow problems and asks us for help, we would then decide whether we should invest our cash in that company. Of course, one of the main determining factors is whether we can take over the company, mainly because we know how to operate a company. State-owned companies are not going to come to us for help because they can borrow money from commercial banks. Our customers are mostly small- and medium-sized firms.

Of course, not every brother in China is doing well. Many brothers were used to wining and dining in Taipei and, after they got here, could not give up that lifestyle. In China, however, they have to pay their bills, unlike Taipei, where they rarely had to pay a restaurant check. That's why brothers in China could spend most of their money quickly and get themselves in a financial bind.

There are also a number of Celestial Alliance leaders in Shanghai. However, they are reported to be at odds with the gang's Sun Branch in Fuzhou.

The United States

The arrival of Taiwanese fugitives in the United States began in the late 1970s. At that time, the majority of them were white-collar criminals who fled Taiwan after committing financial fraud or embezzling public funds. Because Taiwan and the United States do not have an extradition treaty, there was not much

Taiwanese authorities could do to those white-collar fugitives in the United States.

Because law enforcement authorities in Taiwan made massive arrests of underground figures in the late 1970s and early 1980s, hundreds of criminals from Taiwan sought refuge in the United States at that time. Most of them were members of the Four Seas and Bamboo United, and they went to Monterey Park, California, because the Chinese there were predominantly Taiwanese immigrants. In the beginning, these gang members from Taiwan attempted to operate high-stake gambling clubs, but with so few Chinese in Monterey Park able to gamble heavily, the gangs changed their operations, shifting from high-stake poker to modest mahjong games. Others became active in collecting debts, operating night-clubs, and investing in such legitimate businesses as restaurants and trading companies. In 1984, three Four Seas members, along with a Bamboo United leader, kidnapped a Chinese woman in Monterey Park and demanded a ransom of US\$1 million, to be paid in Tokyo (Butterfield 1985).

John Elder, then police chief of Monterey Park, testified at a 1984 public hearing on Asian organized crime conducted by the President's Commission on Organized Crime that:

... we had some people from the Julien group, which is commonly referred to as the Bamboo gang, come from Taipei to Monterey Park. They invited some of our young street gang members in, and they organized and established the Bamboo group. They remained in our city at that time laying out an operational structure, areas of responsibility, and all the crimes and in effect took control over certain types of racketeer activities in our city and in the surrounding cities. (President's Commission on Organized Crime 1984: 188)

Two months after Elder's testimony, three Bamboo United leaders arrived in the United States and killed Henry Liu, who had written a defamatory biography of the then-president of Taiwan—Chiang Ching-kuo.

According to various accounts (Committee to Obtain Justice for Henry Liu 1985; Lau Pin-ping 1988; Kaplan 1992; Chung Lian-chen 1998; Wang Shih-chun 1999), Chen Chi-li, Swei Yi-fung (another Bamboo United leader), and Vice-Admiral Wang Hsi-ling, head of the Intelligence Bureau of the Ministry of National Defense (IBMND), met in July 1984 in Taipei. Wang criticized some of the overseas Chinese, Henry Liu in particular, for their betrayal of Taiwan. Chen suggested that something had to be done to such traitors as Liu and boasted that he controlled Bamboo United members in the United States. Wang urged Chen to "teach Liu a lesson" when the opportunity arose.

Chen initially ordered Bamboo United members in Los Angeles to carry out the mission, but to no avail. Chen and Swei were then trained for a short period at the intelligence bureau and were given pictures and addresses of Henry Liu and other information about him. Chen and Swei arrived in the United States in September 1984.

It is not clear what Wang meant by teaching Henry Liu a lesson, but Chen

was determined to kill him. After Chen's arrival in the United States, Wu Tun, the enforcer of Bamboo United, joined him after Swee had to go back to Taiwan for family reasons. Chen and Wu went to Liu's curio shop at Fisherman's Wharf in San Francisco to attack him there, but they changed their minds when they found the area well patrolled. They then asked Tung Kwei-sen, another Bamboo United leader in Taipei, to join them. When Tung arrived, they set up a plan to kill Liu in his home. After following Liu a few times, Wu and Tung snuck into his home and shot and killed him. Within a few days, Chen, Wu, and Tung flew back to Taiwan.

Several weeks after the assassination, Taiwanese police and military personnel carried out Operation Cleansweep, a nationwide raid on criminals. Chen Chi-li was the first person to be arrested. Hundreds of underworld figures, including Wu Tun, were also arrested. With the help of Bamboo United members in the Philippines, Tung Kwei-sen fled to Manila.

While the government in Taiwan was denying any involvement in the killing of Henry Liu, a magazine in Taipei broke the news that three Bamboo United leaders were responsible. Officials reacted immediately. They claimed that when Chen Chi-li was interrogated, he confessed to Liu's murder. Furthermore, they revealed that some intelligence bureau officers were also implicated. Chen and Wu were convicted at a public trial in Taipei, and both were sentenced to life imprisonment. Wang Hsi-ling was convicted at a separate trial and also sentenced to life imprisonment.

After Tung Kwei-sen fled to Manila, he was alleged to have been involved in a mass murder. He later traveled to Thailand and from there to Brazil, where he was arrested. He subsequently was extradited to the United States to stand trial for Henry Liu's murder. He was convicted and sentenced to fifteen years' imprisonment. He was sent to the federal penitentiary in Lewisburg, Pennsylvania, where he died in March 1991 after he was attacked by a group of fellow prisoners.

Liu's murder and the subsequent trials and hearings were publicized worldwide. Countries with a substantial number of Bamboo United members, particularly the United States, became more concerned about the gang. As a result, seven Bamboo United leaders and members, including Chang An-lo, were arrested in California, Texas, and New York for murder, drug trafficking, gun smuggling, and gambling (Lubasch 1985).

Even though no Taiwan-based gangs are currently active in the United States, a small number of *heidao* figures still consider the United States to be a safe haven if they have to leave Taiwan. For example, during Operation Chih-ping, Hsiao Teng-shi, an influential underworld figure and the head of Chiayi City Farmers' Association, fled to the United States. However, because his passport was cancelled by the Taiwanese government, Hsiao was arrested by U.S. customs officials and turned over to Taiwanese officials who promptly brought Hsiao back to Taiwan.

Lao Tai-sen, aka Jia Jia, another Chih-ping subject, also arrived in Los Ange-

les from Hong Kong after he fled Taiwan. As a leader of the Pei Lien gang, Lao was known to be a heavy gambler and a violent criminal. In order to become a legal resident in the United States, Lao planned a fake marriage to a U.S. citizen. After Taiwanese authorities informed American officials of his whereabouts and his scheme to obtain legal status through a fake marriage, American law enforcement officials arrested him inside a gambling club in Los Angeles and handed him over to the Taiwanese authorities (Si Yeh 1998a).

Besides the above-mentioned Chih-ping targets, some *heidao* figures in Taiwan are reported to be naturalized American citizens and are in possession of U.S. passports (*China Times Weekly* 1997c). With their American passports, they are able to travel to most countries around the world without the need to apply for a visa, which makes them extremely elusive.

The United States is not immune to the effects of the internationalization of Taiwanese organized gangs. However, in comparison with China and certain Southeast Asian countries, the impact of gangs in the United States is considerably less significant. *Heidao* figures from Taiwan may show up in the United States when there is a crackdown on organized gangs in Taiwan, but the number of fugitives is relatively small, and they normally go somewhere else after a short stay in the United States.

Conclusion

According to the Ministry of Foreign Affairs of Taiwan, only six countries presently have extradition treaties with Taiwan. These countries are all in South America or Africa, where Taiwanese fugitives rarely flee. As a result, in order to catch fugitives who flee to countries with no extradition treaty with Taiwan, Taiwanese authorities had to rely on the following method: First, Taiwanese police had to get the support of the police of the country in which the criminals were staying. Second, after the criminals were located, the government in Taiwan would cancel their travel documents and the host country would deal with them as illegal residents and deport them. If the criminals forged travel documents, then local police simply expelled the illegal residents by putting them on a Taiwan-bound aircraft and sending them back to the Taiwan police (Jou 2000).

Regardless of how difficult it is for Taiwanese authorities to capture Taiwanese fugitives abroad, the impact of the internationalization of Taiwanese organized crime is exaggerated by the media and Taiwanese authorities. It is true that many brothers flee Taiwan to avoid arrest, and their presence in China and Southeast Asia not only increases the number of gambling and sex establishments in those host societies, but also leads to occasional violent confrontations among themselves. Moreover, Taiwanese who are doing business in these countries are vulnerable to the exploitation of these Taiwanese fugitives. However, there is no evidence to show that the movement of a relatively large number of Taiwanese brothers resulted in the transformation of Taiwanese organized gangs into formi-

dable transnational crime syndicates. That is because most of them live in isolation when they are abroad, with little or no connection among themselves or with indigenous criminal organizations. Besides, because they are not tightly linked to high-level government authorities in the host societies, they are in danger of being arrested at any given time and that causes them to be extremely careful in a foreign land.

Taiwanese in China, Southeast Asia, and other parts of the world are involved in human smuggling and heroin trafficking, but most of these criminals are neither *jiaotou* or gang members. Thus, it is important for law enforcement authorities around the world to be aware of the difference between *heidao* and non-*heidao* criminals from Taiwan when they deal with transnational crime committed by people from Taiwan.

9

Black-Gold Society

Because of the development of black-gold politics, there is now a symbiosis among gangsters, businessmen, and politicians in Taiwan. Worse, many influential figures occupy all three roles and shift from one role to another, whichever is most expedient in a given circumstance. Those who are not “clever” enough to occupy all three roles with credibility will assume one role and try to have as many friends as possible from the other two worlds. These people are “complete” in the sense that they have money, power, and muscle, all considered indispensable in an extremely competitive society such as Taiwan. That is why so many wealthy businessmen have entered politics, so that they can make sure that only government policies that benefit them will get passed by the local or national assemblies. Many *heidao* figures enter politics to avoid what they see as unwanted arrest and punishment by the police.

A Symbiosis of Gangsters, Businessmen, and Politicians

The symbiosis among gangsters, businessmen, and politicians can be more closely examined by looking at the various relationships within it: the political-business nexus, the political-criminal nexus, and the business-criminal nexus.

The Political-Business Nexus

Due to the lack of campaign finance laws and the need for huge sums of money to run for office, many individuals within the business community can easily establish close relationships with politicians by contributing funds to their election campaigns. And politicians are willing to work with those businessmen in financial deals that could be mutually beneficial. The nexus between politicians and businessmen took hold during the early 1990s when the KMT was desperate for campaign funds. According to Chen Dung-sheng (1995: 44):

After martial law was lifted and authoritarianism had collapsed, economic groups continued to protect and expand their interests through various avenues. Eventually, economic groups and local factions penetrated into the core of the national

political arena. What was once a political system dominated by authoritarian figures at the top has now been transformed into a complex web of relationships that includes central authorities, local factions, and economic interest groups. The political arena has now become a place where money buys influence and power, a situation that has created serious problems of social and economic inequality.

According to a survey by the *Journalist*, many wealthy people—with no political experience but plenty of experience in financial wheeling-and-dealing—ran in the 1992 legislature race (Tang Su-jan 1992b; *Journalist* 1992a; 1992b). An assistant to a city councilor confirmed that business conglomerates mostly supported KMT deputies. A contractor also told me: “Many KMT legislators are still extremely close to big-time businessmen; the well-being of the businessmen is the legislators’ utmost concern, not the welfare of the general public.”

Chen Chi-li of the Bamboo United also commented: “There is a symbiotic relationship between government officials and businessmen in Taiwan, especially when the two parties work together to benefit themselves in the construction industry. Anybody who has ever been a city or county mayor has benefited.”

Lee Teng-hui, the president of Taiwan between 1988 and 2000, is considered to be the one who promoted the close relationship between politicians and businessmen. He publicly declared that it is the responsibility of a government to help capitalists make money (Wang Jenn-hwan 1996). According to Ji Yen-ling et al. (1990: 20):

For the past forty years or more, Taiwanese businessmen never had a better time. In the past, when they interacted with politicians, they had to do it secretly, just like a date in a garden for a young couple who is afraid of being seen together. Nowadays, businessmen and politicians can embrace one another in public; there is no need to be concerned how the public will react to their close relationship.

With the lifting of martial law in 1987, the KMT could not use force to win elections, but had to use relationships, especially in local elections. These personal ties were crucial for the procurement of vote brokers, and these relationships always were based on money. Only through a personal relationship would the person who received the money help with getting votes. That was why Lee Teng-hui used money relationships to control personal relationships; that was how he got power for himself. He was very eager to be on good terms with various business conglomerates (he always had many banquet dinners with businessmen wherever he went); as a result, his administrators were also very close to businessmen.

The Political-Criminal Nexus

As mentioned earlier, many *heidao* members ran for office themselves if they had the money to do it; and if they did not, they would try to establish a close

relationship with a politician so that they would have protection against the authorities. Most politicians were willing to have close relationships with *heidao* figures because the latter could help them get votes. According to a Bamboo United leader:

Why did the political-criminal nexus in Taiwan develop as it did? It is mainly because of the interchangeable roles of pillars and *heidao*. *Heidao* are pillars, and pillars are *heidao*. Politicians in Taiwan must have the support of *heidao* because *heidao* represent the public, and they have the ability to express the public's feelings and attitudes and to mobilize people's power. Without the support of *heidao*, a politician could easily end up being alone at the top of the heap, isolated from other people. He or she really won't have any future in politics.

As a result, almost every major gang figure in Taiwan has been approached by all three political parties for support during elections. Chu Kao-jen, a former legislator, was candid about it when asked how close politicians are to *heidao* members. He said: "How could it be possible that a locally elected representative was not acquainted with *heidao*?" (Lee Chao-nan 1996b: 51). Thus, as an independent legislator, Lin Lwei-to, said: "In Taiwan, because of its small size, most political candidates could not help but be associated with *heidao* figures. Besides, you don't want to lose the votes controlled by *heidao* people." However, as Jin Shi (1989: 39) commented, the nexus between politicians and *heidao* figures could not be viewed as normal because it had its down side:

Making friends is a personal choice, but if friendship extends to a partnership involving the councilmen's political power and the *heidao*'s threatening ways of doing things, that could lead to a dangerous combination of forces. These two groups of people can then operate underground ballrooms, bars, night-clubs, and gambling dens to make money. Or the councilmen can hold shares in or act as advisors to the commercial sex business or illegal gambling industry. These are all lucrative businesses, and the councilmen's involvement in these businesses is a detriment to law and order in our society.

The Business-Criminal Nexus

According to a businessman in Kaohsiung City, those who cannot be affiliated with powerful politicians are willing to be affiliated with gangsters, if these gangsters agree to support them. This way, these small-time businessmen can compete with their peers who are supported by politicians. Underworld figures want to be affiliated with businessmen for economic opportunities and financial support. For example, Tsai Kuan-lun, a leader of the Four Seas gang, was extremely close to Chiang Chu-ping, a businessman who was considered to be the "money man" of the gang because of his investment in the gang's financial ventures. Both Tsai and Chiang were arrested during Operation Chih-ping for their use of strong-arm tactics and threats in a business deal. On the other hand, gangsters who are interested in bid rigging also

need the help of legitimate contractors. At the very least, gang members need wealthy businessmen to frequent their sex and gambling establishments.

In sum, one way to get a glimpse of the symbiosis of gangsters, businessmen, and politicians in Taiwan is when a big brother or one of his immediate family members passes away. When a “big boss” dies, his followers take the opportunity to showcase their strengths by inviting rich and powerful dignitaries to attend the funeral; the latter are usually more than happy to come and pay tribute and show their connections to a powerful gang. Other big brothers will also attend, not only because it is socially desirable to show their respect for another gang, but also to show off their groups’ strengths by coming with dozens of imported luxury cars or horses with their gangs’ flags prominently displayed. For example, the 1988 funeral of a godfather (Chen Ji-fang 1988b), the 1992 funeral of a Nyo Pu leader’s mother (Teng Chi-er 1992), and the 1996 funeral of a Four Seas leader (*United Daily News* 1996a) were attended by some of Taiwan’s most powerful figures from the business, political, and underworld communities.¹

Heidao, Baidao, and Huidao

The problem of *heidao* penetration into business and politics is often reported in the media, brought up by DPP members whenever they criticize the KMT, and debated by the general public. Many people believe that gangsters are responsible for almost all the social ills in Taiwan, including vote buying, campaign and street violence, bid rigging, and poor-quality public construction projects. They assume that, once gangsters are removed from the legitimate business and political arenas, all the above-mentioned problems will disappear. However, there are also quite a few people who believe that corrupt government officials (*baidao*) and controversial figures (*huidao*, neither black nor white, but gray) do more harm to society than businessmen and politicians with *heidao* backgrounds. Many observers feel that *baidao* and *huidao* play a more significant role than *heidao* figures in the development and penetration of black-gold politics into important sectors of the society. According to a NP legislator who is close to black-gold figures in the legislature:

Black-gold politics in Taiwan is not as serious as people think it is. There is no doubt that some gangsters are active in local politics, but nobody really knows how many local deputies are gangsters. Besides, I don’t know how they define *heidao*. People say there are *heidao* legislators, but they are not the worst people in the legislature. Instead, other legislators, take XXX [a KMT legislator who is not considered to be an underground figure] for example, are considered the most despicable. You can say XXX is a hooligan legislator, or that he is worse than a hooligan. In fact, the very people who are ruining Taiwan are not *heidao* figures. Rather, they are the corrupt officials, the greedy business figures, and people like Lee Teng-hui. These people’s involvement in illegal activities deserves our utmost concern.

Chien Hsi-cheih, the DPP legislator who was assaulted by Lo Fu-chu, agreed with the NP lawmaker:

It is not easy to say exactly how many *heidao* legislators are in the Legislative Yuan. However, I want to stress the point that the existence of *heidao* legislators is only part of the problem of black-gold politics. There are many non-*heidao* legislators who are affiliated with gangsters and are being supported by local factions. They are only concerned for themselves or the interest groups they represent. In my opinion, they are the real problem. The problem became especially serious after the abolition of the provincial government and the arrival in the Legislative Yuan of large numbers of former provincial assemblymen. These newly elected legislators continued to act as rudely and shamelessly as they did when they were in the Provincial Assembly. Since their arrival, the Legislative Yuan has never been the same.

Lee Yuan-tseh, the president of Academia Sinica and one of the most influential figures in Taiwan, also suggested "organized crime is terrible, but corrupt officials are a lot worse" (S.C. Liu 2000: 5). According to Lee, the attempt to dissect black-gold politics must focus more on *baidao* and *huidao* than on *heidao*. In other words, corrupt and incompetent central government officials, county commissioners, town mayors, local administrators, and greedy and unethical businessmen are more detrimental to the development of Taiwan than *heidao* elected deputies.

Some believe that *heidao* people penetrated into business and politics at the invitation of businessmen and politicians. Without the assistance and encouragement of the latter, the *heidao* would never have stood a chance to make an impact on the business and political worlds. However, when someone has to be blamed for campaign violence and bid rigging, those who initially welcomed the *heidao* now simply point their fingers at them and blame them for all the problems. According to Tung Nien-tai, an unofficial "spokesman" of the underworld:

What disgusted me the most is that many *baidao* people use *heidao* figures and eventually turn against them. The *baidao* rely on the *heidao* in settling financial disputes, running political campaigns, and doing all sorts of dirty work. But when *baidao* people need a scapegoat for the crime problem, the first thing they do is blame *heidao* people. I don't think it is fair to be harsh with the *heidao* and to be lenient with the *baidao*.

In a society where so many *baidao* people are affiliated with the *heidao* and actively involved in the kinds of activities only *heidao* figures are supposed to be involved in, and so many *heidao* people are associated with the *baidao* and often play a key role in the conventional business and political arenas, it is not easy to differentiate between a *heidao* figure and a *baidao* figure. As time goes by, the criminalization of the *baidao* and the bleaching of the *heidao* results in the emergence of a large number of *huidao* figures—people who are neither *heidao*

nor *baidao* but rich and powerful enough to pull all the strings behind-the-scenes and who stand to gain the most.

In my opinion, black-gold politics is basically a collusion of money, brute force, and political influence. To obtain political influence, one needs money to buy votes and brute force to assure that vote buying is effective. Gangsters provide strong-arm tactics and business entrepreneurs offer monetary support. In return, a politician, after being elected, needs to pay back the gangsters and the businessmen who have helped him to gain, and usually maintain, political power. Later on, gangsters and businessmen came to realize that they did not have to be just the supporting players; some gangsters had enough money and some businessmen had enough connections with gangsters to run for office themselves. Consequently, the underworld, the business community, and the political arena in Taiwan became so entangled that it is almost impossible to differentiate among gangsters, businessmen and politicians.

Case study material of Taiwanese crime and political corruption suggests a leitmotiv of gangsters' money-making schemes and promises of power and avaricious political actors and politicians luring *heidao*/pillars into politics. However, these links cannot realistically be construed as a lopsided game of politician/victim and racketeer/victimizer; politics and organized crime appear to be more symbiotically interlocked so that the term "partnership" seems more apt as a description of such relationships. The study is an effort to illuminate how corrupt incentives and opportunities arise and how a system of illicit privileges and obligations pre-empts and excludes legitimate businesspeople and ordinary citizens from economic and political participation.

Through the use of illegal wealth, and especially violence and extortion, political entrepreneurs are able to exploit their political environments and interfere with vital community functions such that the processes of governability are jeopardized.

Factors that contribute to the development of a political-criminal nexus include communities that are economically depressed or under-politicized, where public officials exercise unbridled power over the distribution of public benefits and resources. In communities where political processes are contorted and constricted through a lack of collective political awareness, or because of poor articulation of the linkages between community groups and government institutions, patterns of community insulation result with diminished leverage on governmental agencies. Predictably, constituent power over political actors and public officials is weakened, and the way is opened for clientelist politics where power becomes increasingly discretionary and where political resources are likely to be disproportionately allocated and distributed to favored groups and individuals. Ethnic and minority communities are examples of these types of crime and corruption.

Industrial and commercial activities are another setting in which corruption is the principal means through which organized criminals manage to insinuate themselves. Furthermore, complicating the picture is the fact that criminals have developed strategies that exploit conditions of vulnerability within an industry

burdened with a maze of codes, laws, and statutes—many of which are outdated—that create administrative incompetency, that discourage competition and investment, that significantly increase building costs, and that reduce the quality of public and private works products.

As noted above, gangsters function as “rationalizing agents” in these work environments facilitating the completion of projects through extra-legal means, mainly by insuring the reliability of labor inputs, and through interventions into the construction process in other ways—primarily by stabilizing the flow of building materials and supplies for a nominal economic rent in this case or for pay offs. In this case, not only are laws circumvented and the components of the industry compromised, but builders themselves become enveloped in the nexus through racketeer-dominated associations of builders that are nothing less than construction firm cartels.

This brings us to the issue of counterstrategies of control and containment, ways in which linkages among political authorities, gangsters, and businesspeople can be broken, and the criminal grip on industries relaxed. In a business where criminal influence is demonstrably rampant, one reform approach involves broadening the pool of competitors for public construction contracts. Another important option entails sweeping changes in the regulatory statutes that shape the bidding processes, making them more transparent; in the past the lack of openness in industry appears to have been a major factor precipitating widespread collusion among builders. A third device, which constitutes an entry barrier or gatekeeping tool that screens industry participants, requires state authorities to examine the backgrounds and performance-related histories of bidders so that, presumably, criminally tainted firms and individuals can be prevented from obtaining public works contracts.

Perhaps the most common and widely known type of public susceptibility to corruption is the financing of electoral campaigns. It would seem especially difficult to generate substantive, legitimate funding in a climate of voter complacency and desperation in communities that are impoverished. Electoral campaigns oblige politicians to turn to the private sector for support and resources, and this is conducive to alliances and networks of criminals and political actors.

Another aspect of the political-criminal nexus that needs to be explored in both its historic contexts and contemporary settings is how the scope of governmental control policies that have expanded over the past two decades may actually contribute to the growth of political/criminal connections. As governmental regulatory activity increases, the candidates available for corruption may tend to grow, as more officials and authorities function in environments where criminal corruption is present.

Policy Recommendations

My research has convinced me that black-gold politics and organized crime in Taiwan cannot be eliminated simply by conducting gang-sweeps and incarcerating gangsters. According to Finckenauer and Waring (1998: 22), “Three condi-

tions have to be present to facilitate the development of mafias—a weak or corrupted government that is unwilling or unable to protect everyday transactions, lucrative criminal opportunities, and both excessive bureaucratic power and discretion among government authorities and governmental decisions that are unclear and difficult to monitor.” Thus, to deal with the problem of organized crime, a comprehensive approach has to be adopted to remove these conditions in Taiwan. In my opinion, it involves the abolishment of the Anti-hoodlum Law, the termination of massive gang-sweeps, the abolishment of town-level elections, the reformation of the judicial system, the establishment of a crime prevention mechanism, and the development of local communities.

Abolish the Anti-hoodlum Law

In Taiwan, the Anti-hoodlum Law has been in effect for more than four decades. Even though it was revised a few times in response to criticisms by legal scholars and judges for its lack of due process, the law is still an outdated legal tool that not only denies suspects their basic rights, but also helps to create a large number of hoodlums through its net-widening effect. Under the law, tens of thousands of young people from poor and remote areas are labeled, processed, and punished as hoodlums. Many wayward youths who might have been reintegrated into mainstream society after their rebellious years are stigmatized for life by the law and forced to become career criminals. Kenney and Finckenauer have suggested (1995: 15) that:

Criminals, whether organized or otherwise, cannot be prosecuted and punished simply because they have certain characteristics or belong to certain groups. They can only be prosecuted and punished because they have committed certain acts that are illegal. While it may be that the old adage, “If it looks like a duck, walks like a duck, and hangs around with ducks, then it is a duck,” fits members of organized crime, no one can be prosecuted for looking like, walking like, or hanging around with members of organized crime groups.

The same is true for the so-called *liumang* or hoodlums in Taiwan. Many *heidao* figures I interviewed repeatedly criticized the Anti-hoodlum Law and became extremely bitter when they recalled their experience with the law. They thought that not only were they wrongly accused and convicted, but also they were harshly punished. I believe it is time for Taiwanese authorities to get rid of this law and indict and punish law violators according to the existing criminal law and Organized Crime Prevention Law.

Terminate Gang-Sweeps

In Taiwan, numerous crackdowns on gangs have been conducted over the past three decades, but thus far there is no evidence to show that this type of law

enforcement measure is effective in dealing with organized gangs. Whenever an antigang program was conducted, police authorities arrested thousands of gang and *jiaotou* leaders and put them away for three years. When this occurred, some young gang and *jiaotou* members would simply be promoted as big brothers by their groups. Because this cohort of new leaders was young and inexperienced and without restraint from seasoned gangsters, these new leaders were more likely to become involved in reckless crimes and resort to violence when they were challenged. In addition, the imprisoned big brothers eventually came back with a vengeance. Their stay in prison camps in remote areas not only transformed them into hardened *heidao* figures but also enabled them to establish a nationwide, underworld network that helped them to discover new criminal opportunities elsewhere.

The strategy is not only counterproductive, it is also unconstitutional because many gang and *jiaotou* figures are summarily arrested simply because they are known *heidao* figures. As mentioned earlier, under pressure from the central authorities, local police forces would conduct massive arrests and pay little attention to the collection of evidence and the rights of the suspects. Prosecutors and judges would also work diligently to help the central authorities achieve their goal. Without a checks-and-balances system, suspects without access to legal counsel and jury trial are highly unlikely to be acquitted once they are arrested. Moreover, many street thugs who are not qualified to be considered big brothers may end up being processed as such. According to Finckenauer and Waring (1998: 19):

... the enormous pressure to nail mafia figures, especially godfathers, can lead law enforcement to create its own by grabbing some thug who may or may not be a crime kingpin and crowning him a godfather. Because catching Mafiosi is exciting and high profile, it can be a seductive activity that leads law enforcement and the news media to feed each other misinformation and misinterpret or selectively interpret the available information. When this happens, the public is misinformed and misled, and the policy is misguided.

Moreover, as mentioned in Chapter 8, many big brothers could easily evade gang crackdowns by fleeing Taiwan and settling abroad. In essence, antigang programs in Taiwan were simply a way to "export" gang leaders overseas and internationalize the Taiwanese underworld. It is time for Taiwanese authorities to abandon these stopgap measures and to rely more on the investigation and prosecution of *heidao* figures on a consistent basis during ordinary times.

Abolish Town-level Elections

Campaign violence, vote buying, and *heidao* involvement are deeply rooted in local elections, especially in town-level elections (Wang Kun-yi 1997). Even though the popular election of grassroots leaders is an important component in

the development of a truly democratic society, I think the problems associated with local elections have outweighed its merits. At this point in time it might not be a bad idea to abolish the elections of town mayors. In fact, Taiwanese authorities have already discussed the issue. In the aftermath of the 2000 presidential election, the DPP-controlled Ministry of the Interior has formulated a bill that, if passed, would result in mayors of townships being appointed instead of elected. Under the bill, the mayors of townships would be appointed by county governments after the terms of incumbent mayors expire on August 1, 2002. Township municipal councils would be abolished altogether. The KMT has already voiced its opposition to the proposed changes because, currently, around 90 percent of the township mayors are from the KMT, most of them leaders of local factions who can be counted on to help the party gain support during election campaigns (Low 2000). Moreover, the recently implemented campaign finance law should be strictly enforced to sever the ties between politics and business.

Reform the Judicial System

According to a sociologist with the Academia Sinica, the words “black-gold politics” have no real meaning. No matter what words are used, the problem is how to deal with various groups of people who fight unscrupulously for benefits for their own group. For the sociologist, black-gold politics is all about fighting for money. While it is not unusual for interest groups in most societies to fight for scarce social resources, it is imperative that Taiwan’s judicial system can ensure that these interest groups compete fairly and openly, and if they do not, see that they are penalized accordingly. Otherwise, members of conventional society simply cannot compete fairly, and when that happens, disputes occur that invite extralegal, criminal remedies and solutions.

Since Taiwan’s judicial system has not been capable of settling these disputes, members of the underworld society have become the ultimate arbitrators. As argued by Annelise Anderson (1995), organized crime exists where governmental functions are performed by nongovernmental persons, particularly where the legal system refuses (or is unable) to exercise power. Organized crime members then act in lieu of the government in order to enforce contractual agreements.

As mentioned earlier, people in Taiwan often seek the assistance of *heidao* figures when they are in disputes, be it personal, economic, or political. This shows that they are not confident that the judicial system could be an impartial body in settling their conflicts. Many *heidao* figures I interviewed stressed that one of their main functions is mediating disputes. If the judicial system in Taiwan functions as an impartial authority that regulates social interactions, protects social contracts, and punishes violators accordingly, then money, brute force, and political influence would not be as significant as it is now in Taiwan.

Establish Crime Prevention Mechanisms

Police authorities are more likely to be involved in reactive, rather than proactive, measures against gang crime. Their daily operations target crimes committed by nongang members who are the least likely to be associated with the rich and the powerful. Big brothers and *heidao* politicians are left alone unless their involvement in illegal activities results in violent confrontations or their illegal operations go awry and become publicized. Many police officers I interviewed admitted that they normally do not delve into the affairs of those big brothers and *heidao* politicians for fear that they might get themselves in trouble with their superiors. As a result, only when there is a major antigang program do police officers work around the clock to collect criminal evidence on those big brothers who may have committed illegal acts several years earlier.

Moreover, the government must improve the professionalism of law enforcement officers. Police corruption is an open secret in Taiwan, and unless the government makes a concerted effort to wipe out the bad apples within the police force, it will continue to be viewed as a corrupt and unprofessional force that can be easily bribed.

Even though police corruption and political ineptitude toward *heidao* figures hampered the fight against organized crime in Taiwan, the Taiwanese government was able to launch one campaign after another to go after these criminal organizations, and almost all prominent *heidao* figures have been prosecuted and punished severely by the law enforcement agencies. This suggests that there exists a group of politicians and “powers that be” who are above the corruption and able to combat gang problems in Taiwan irrespective of the effectiveness of their campaigns. As a result, it is important to empower these groups or individuals in the future.

Develop Local Communities

Even though Taiwan is considered to be a developing nation with the second or third largest foreign reserves in the world, social development in the countryside lags far behind that of the two major cities—Taipei and Kaohsiung. Young people growing up in the countryside, with little education, professional skills, and connections, are most likely to join the armed forces, the police force, or the underworld. It is time for the government to pay more attention to the development of local areas and provide better education, professional training, and career opportunities to those underprivileged youth in southern Taiwan. Otherwise, many youth from these local areas have to be considered as potential recruits for the Taiwan underworld.

Appendix: Research Methods

Research Sites

This research project was conducted primarily in Taipei, the cultural, economic, and political center of Taiwan. I arrived in Taiwan on December 1, 1998, and stayed until January 15, 2000. As a Fulbright Research Scholar, I was hosted by the Institute of Sociology of the Academia Sinica in Taipei.¹ For the first two months, I spent many hours in my office reading and collecting secondary information from newspapers, magazines, and scholarly journals. Thereafter, most of my time was devoted to scheduling, conducting, and writing up more than 100 interviews.

Because Academia Sinica was distant from downtown Taipei, I had to travel to the city center where most of my subjects either worked or lived. By public transportation it took at least one hour from the Academia Sinica to downtown, and as a result, it usually took me a whole day just to complete one interview.

During my stay in Taiwan, I took three research trips to central and southern Taiwan, each trip lasted about ten days. My purposes were to conduct interviews with politicians and *heidao* figures, to speak to local residents, and to see firsthand what Taiwan is like outside of Taipei.

I also made four trips to Southeast Asia and China: one to Cambodia and Vietnam, one to Thailand, and two to China. Each trip took about ten days, and the main purpose was to interview Taiwan's criminal fugitives living in those countries. I found these research trips to be extremely rewarding, primarily because: (a) most subjects I interviewed outside of Taiwan were major figures in the underworld, and as a result, they could provide me with insider accounts of that world; (b) they were usually more cooperative than those subjects I interviewed in Taiwan because they were already known crime fugitives, and they felt they had nothing to hide or be concerned about; (c) as fugitives living abroad, they were somewhat idle, and they tended to have more time to answer my questions; and (d) I had the opportunity to conduct interviews and also spend many hours, and sometimes days, with them in their homes. Gradually, my understanding

of these figures and their lives overseas became clearer to me as the research progressed.

During the summer of 2000, I went back to Taiwan again to conduct more interviews and collect additional secondary data. Again, the Academia Sinica hosted me. During my second visit, I spent most of my time conducting interviews with either legislators or National Assembly deputies.

Data Sources

Primary Data

Between December 1, 1998, and January 15, 2000, I interviewed five types of respondents. First, local and national law enforcement and government authorities were asked about their assessments of the current state of organized crime in Taiwan. Interviews with these subjects focused on their knowledge of the development and transformation of organized crime groups, the exploitation of the legitimate business sector by organized crime groups, and the connection between politics and organized crime. Information and impressions about the effects of the infiltration of organized crime into the economic and political sectors were solicited, as well as their opinions about the obstacles law enforcement authorities typically encounter in combating organized crime.

Second, I interviewed active or former members of organized gangs and *jiaotou* groups. Questions were raised about individual and group characteristics: their perceptions of, and reasons for, involvement in legal and illegal activities; their view of their role in Taiwan politics; and their understanding of their role or function in the economic sector of Taiwan.

Third, I talked to members of the Legislative Yuan and National Assembly. This group of subjects included those who were alleged to be members or associates of organized crime groups, those who were victims of organized crime groups, and, finally, those who tolerated or criticized the existence of organized crime members in the political arena of Taiwan. They were asked mainly about the extent of the nexus between organized crime and politics, and their assessments of the impact of such a connection.

Fourth, I interviewed town representatives, town mayors, and city and county councilors. Like the previous group of subjects, this group included elected executives and representatives who had criminal records, those who were victims of organized crime groups, and those who were sympathizers with or critics of the political system, but on the local, rather than the national, level. The interviews with this group of key informants concentrated on how conflicts among grassroots interest groups and local factions may have facilitated the penetration of organized crime groups into local politics.

Fifth, I interviewed a group of people who were familiar with the problem of organized crime in Taiwan. This was a diverse group of subjects, including phy-

sicians, contractors, small business owners, scholars, journalists, blue-collar workers, and Taiwanese businessmen in Southeast Asia and China. This provided another dimension on the problem of politics and crime in the society – one that reflected a non-law enforcement perspective.

During my stay in Taiwan and my research trips to China and Southeast Asia, I interviewed altogether 117 subjects. Sixteen were interviewed twice or more. The following table shows how many subjects from each of the five types of respondents were interviewed.

Study Sample

Subjects	<i>N</i>
Government and law enforcement officials	29
Local officials and elected deputies	19
National elected deputies	12
<i>Heidao</i> figures	32
Other key informants	25
Total	117

I myself conducted all the interviews face-to-face with the subjects. Subjects were not paid for their participation in the project. I developed an interview guide for each type of subject that contained mainly open-ended questions. Each interview took about one to two hours. For certain subjects, especially those fugitives I interviewed abroad, the interviews lasted more than four to five hours. A few key gang leaders were interviewed on and off for four to five days.

Because of the sensitive nature of the research topic, I did not tape the interviews nor did I take notes during the interviews. To make sure I recorded as much information as possible, I normally went right back to my office or my hotel room after the interview and immediately wrote down what had been said by each subject.

Two techniques were used to recruit subjects. First, the selection of respondents relied heavily on my personal knowledge of Taiwan. Because many businessmen and politicians in Taiwan do not deny their current or former affiliations with crime groups, and because many well-known gangsters in Taiwan tend to maintain a high profile, developing a sample for this research and finding the subjects was not a problem. Second, I developed sources of potential subjects through ethnographic contacts with individuals who would refer potential subjects to me. I was well aware that the use of personal contacts and referrals might skew my research findings. However, in research of this nature, there are few, nonobtrusive sources of information that are free of potential criminal taint. Thus, the researcher must be especially wary and intuitive about respondents and their points of view and the reliability of their information.

Secondary Data

Besides interviewing these key informants, I also collected two types of secondary data. First, official crime statistics and reports on organized crime were collected from government and law enforcement agencies in Taiwan. Data on national and local campaign-related violence and election outcomes were also collected. Second, a systematic approach was used to collect relevant information from newspapers, magazines, academic journals, M.A. theses, Ph.D. dissertations, and books written by journalists, former gang members, and academics. Source information is listed in the References Section.

Problems Encountered in Conducting the Research

Conducting a research study on black-gold politics in Taiwan, an issue that is not only extremely sensitive but also heavily politicized, is a daunting task for both local and foreign scholars. At the time I was collecting data for this study, KMT officials were busy preparing for the upcoming presidential election of 2000, and they were understandably resistant and somewhat unwilling to assist a foreign researcher in exploring an issue that had long been viewed by the public and the DPP as a hallmark of the KMT's incompetence and corruption. Not only was it difficult to find receptive KMT officials to participate in the study, but it was also hard to get substantive information out of those who agreed to be interviewed. They generally either downplayed the seriousness of the problem or pretended to have no knowledge of the political-criminal nexus in Taiwan.

Many law enforcement authorities were also uncomfortable in describing to a foreign researcher the involvement of organized crime members in politics. However, with my connections to many high-ranking police officers, I was able to ask them to make sure that their subordinates would be as cooperative as possible.² Many interviews with law enforcement authorities across Taiwan were conducted at the Central Police University where my subjects were receiving continuing education at the time of the interviews. As a speaker at one of their seminars and as a guest of the university president and the director of the continuing education center, I was able to convince my subjects that their participation in the project would not have any negative repercussions.

Interviews with national and local politicians were equally challenging. Most of them had extremely busy schedules and, in any case, they did not see any reward in talking to a foreign researcher about the dark side of Taiwan politics. When I told a KMT high-ranking official I would like to ask a number of politicians about the political-criminal nexus in Taiwan, she said: "The politicians, legislators, and councilmen here are so close to gangsters, why in the world would they tell you the truth? They want to live, don't they?"

A New Party legislator told me the following as soon as we sat down in her office:

I have to tell you that I am not particularly enthusiastic about telling you anything I know in order to let you—a person from abroad, more significantly, the United States—write a book on negative things about Taiwan. I don't think the United States is friendly to Taiwan. People from the United States very often study Taiwan, and their studies do not really bring any benefits to Taiwan. If you were to tell me that you are writing a book in Chinese, and it will be published in Taiwan, I would be more willing to help.

In general, DPP members were much more cooperative than KMT members, and local politicians were more receptive to the study than national politicians. Still, many DPP members had little confidence that the study could lead to any reform, as a former DPP city councilor told me:

I don't think your research is going to have any impact. It will be just like what the Taiwanese say—a dog barking at a passing train. A barking dog could not possibly have any effect on a speeding train.

Because of the frequent crackdowns on organized crime in Taiwan over the past fifteen years, and especially following the major gang-sweep in 1996, most well-known *heidao* figures were on the run while I was conducting fieldwork in Taiwan in 1999. As a result, I was able to interview only a handful of mid- or low-level brothers in Taiwan. However, my travels to Southeast Asia and China to interview key gang figures who were wanted by the Taiwanese authorities allowed me to conduct many good interviews.

Besides the four groups mentioned above, I also interviewed many other key informants who were eager to express their anger and frustration over the development of black-gold politics in Taiwan. Nevertheless, some of them were also convinced that my study was just a waste of time because the problem was so entrenched and the KMT was so determined to preserve its power and privileges. According to a senior journalist I interviewed:

What's the point of doing your research? What good will it bring? The KMT is fully aware of the nature of black-gold politics and its seriousness. In fact, the KMT supports *heidao* mainly to sustain its own power. Why would the KMT eliminate *heidao*? If the KMT one day got rid of *heidao*, then the party would be finished as well. That's why the KMT is not going to do anything as a result of your research findings.

One of the main problems encountered in conducting this study was the fact that few people in Taiwan are fully cognizant of the true nature of the problem. Most people learn about black-gold politics either from rumors or the news media, and their perceptions of the problem are deeply influenced by their political orientation. As a DPP legislator pointed out:

Black-gold politics is a very serious problem but except for those few people

who are directly involved in it or have been victimized by it, nobody can tell you much about it. After you have interviewed a large number of people, you will find that they all say the same thing. That indicates that they do not understand the issue very well.

Regardless of these challenges and obstacles, I am satisfied with the quality, the breadth, and the depth of the data I have collected. I also believe that most of my subjects tried their best to tell me what they know about black-gold politics in Taiwan.

Notes

Chapter 1

1. The ROC, or Taiwan, officially uses the Wade-Giles system to transliterate names from Chinese, and the PRC uses the *pinyin* system. Therefore, this book uses Wade-Giles for names from or associated with Taiwan, and *pinyin* for names from or associated with the PRC. Because the *pinyin* system is more widely used than the Wade-Giles system, names that are not from or associated with Taiwan will also use the *pinyin* system. In some cases other romanization styles are used for transliterating personal names and certain terms.

2. In this manuscript, if the source is in English, I indicate only the last name of the author(s). If the source is in Chinese, I indicate the full name of the author(s) (last name first and followed by first name).

3. People of Taiwan categorize each other according to their place of origin: Taiwan or the mainland. The term *mainlander* refers to Chinese on Taiwan who either came from the mainland in the late 1940s or early 1950s or are the Taiwan-born offspring of those people. *Taiwanese* refers to only those Han Chinese who already lived on Taiwan prior to the wave of migration that occurred at the end of the 1940s and the offspring of those people (Wachman 1994).

4. Taiwan authorities consider adult gangs and *jiaotou* groups as organized crime groups but not triads (Cheng 1992; National Security Bureau 1997), even though some Western writers use the term “triads” to describe all Chinese criminal organizations (Bresler, 1981; Posner, 1988). For most Chinese scholars and law enforcement officials, triads refer only to those organized crime groups in Hong Kong that are alleged to be some of the largest, most dangerous, and best organized crime groups in the world (Morgan 1960; Booth 1991; Y. Chu 2000).

5. *Jiao* means corner, *tou* means leader, and *jiaotou* means a street-corner leader or influential local figure. Besides individuals, the word is also used to denote a variety of both criminal and noncriminal local groups. *Jiaotou* was originally meant to describe those individuals or groups that were instrumental in managing and operating local temples and organizing religious ceremonies. Even nowadays, a *jiaotou* plays an important role in local religious activities (Ho Hoa 1993).

6. Throughout this book, I will often quote the 117 subjects I personally interviewed. To avoid redundancy, whenever I quote one of my subjects, I will not repeat that he or she is my respondent. If someone quoted is not one of my subjects, I will cite the source.

7. In Taiwan, elected representatives can be categorized into two political levels: national and local. Nationally elected representatives include legislators, Provincial Assembly members, and National Assembly members. Both the provincial and the national assemblies were dissolved in the late 1990s for political and economic reasons. Locally elected representatives include city/county councilors and town/township councilors.

8. Chinese secret societies were formed during the Ming era (1368–1644) by patriotic Chinese for political purposes. These societies, especially the Hung societies and the Qing societies, played a pivotal role in the overthrow of the Qing dynasty (1644–1911) and the establishment of the ROC. Secret societies continued to be very active in the political arena thereafter, but some societies or members also increasingly engaged in criminal activities. After the Communists took over China in 1949, some branches were reestablished in Hong Kong and Taiwan. Although the societies have maintained a low profile in the past forty years, they are now making a comeback in Taiwan, publicly recruiting new members and vowing to become more active in politics.

9. The five branches of government are the Executive Yuan, the Legislative Yuan, the Judicial Yuan, the Examination Yuan, and the Control Yuan (see Figure 1.2). The Judicial Yuan functions much like the judicial branches of government in other nations.

10. In Taiwan, most sex and entertainment businesses are lumped together and called “special businesses.”

11. When the respondents were asked “What makes you feel most ashamed to be Taiwanese?,” 22.9 percent answered “Black-gold politics,” 15.6 percent said the “lack of a law-abiding spirit,” 15.1 percent mentioned the “decline in social order,” and 11.3 percent indicated “low diplomatic status” (*Taipei Times* 1999b).

12. Local factions are interest groups formed by local elites with the support of the KMT. These groups can be found all over the island and, with the blessing of the KMT, they dominate the economic, political, and cultural arenas of local communities. In turn, these groups support the KMT as the ruling party and actively participate in local elections to support KMT candidates (M. Chen 1996).

13. Besides the two special municipalities of Taipei and Kaohsiung, there are twenty-three cities and counties in Taiwan, and each has its own local government and elected body. The elected body is called a council, and it has approximately twenty to fifty councilors, depending on the size of the city or county. Each council has a speaker and a vice speaker, selected among councilors by the councilors themselves.

14. Business tycoons can get themselves nominated as “legislators-at-large”—rather than having to win an election—by funding the election campaigns of a few party favorites.

Chapter 2

1. It is a custom for people in Taiwan to hang as many banners as possible when they arrange the funeral for their family members. As a result, close friends and relatives of the deceased are obliged to send a banner to the funeral. To show that the deceased was well connected or an important person, banners from the rich, the famous, and the powerful are especially welcomed, and their banners will be displayed at the most prominent place. For many politicians and elected deputies in Taiwan, it is probably the most important custom to follow if they do not want to lose the support of their constituents.

2. The New Party (NP) was formed in 1993 by a group of former KMT members after a power struggle erupted within the KMT. NP members are predominantly mainlanders who support the reunification of Taiwan with mainland China (Rigger 1999).

3. The Chung Li Incident, the Kaohsiung Incident, and the Formosa Magazine Incident are all major confrontations between the KMT and the emerging opposition force organized by the Taiwanese. In those unprecedented incidents, the Taiwanese opposition group mobilized the masses, held street demonstrations, and engaged in physical altercations with the police force.

4. The current exchange rate is NT\$34.50 = US\$1.

5. Heroin is called No. 4 (*Si hao*) in Chinese.

6. For Chinese, "face" is equivalent to respect. To "give face" to someone means to respect that person, and to "not give face" means to disrespect. Under most circumstances, "face giving," or the lack of it, is reciprocal. To "save someone's face" is to try to not embarrass that person. People who are rich and powerful are considered to "have face." A person who behaves inappropriately is viewed as someone who "throws away one's face," meaning the person has no self-respect (Bloodworth 1965).

Chapter 3

1. *Heidao* involvement in political violence will be discussed in Chapter 6.

Chapter 4

1. There are two types of firms: construction and development companies. To be a construction company, it is necessary to have a construction license. The development companies are mainly involved in retailing of real-estate property and investing money in the building of real-estate properties. A construction firm is unlikely to have many projects going on at the same time, and as a result, it will lease its license to other firms that do not have a license. There are three grades: A, B, and C. It is not easy to upgrade to a construction license, even though each and every B and C grade firm wants to eventually become a grade A construction firm.

2. However, a former commissioner of the National Police Administration later disagreed with this assessment. According to him: "It is absurd to say that gangsters play a critical role in maintaining order within the construction industry. Their penetration into the industry only leads to higher construction costs and poor construction quality."

3. Feng was arrested during Operation Cleansweep and Operation Thunderbolt. After he was released for the second time in the early 1990s, he became deeply involved in bid rigging. He is a key leader of the Bamboo United.

4. Liao was promoted shortly after the CKS Airport scandal and became the head of the Ministry of Justice. He only spent a year at the MJIB.

5. When Chang An-lo was asked what was he doing at one of the meetings, he said he was simply trying to meet businessmen in the construction industry in the hope that they might provide him with business opportunities in the future. When asked why he was handing out his business card to people at the meeting, Chang shot back saying: "Does my business card look so threatening to you?" (Hwang Kwang-kuo 1997: 172). Chang explained he was at the restaurant at the invitation of Feng, not knowing that the construction people felt threatened by his business cards.

6. In my interview with Liao Cheng-hao, he told me that the qualification bid and the price bid were conducted simultaneously to prevent *heidao* people from pressuring those who were qualified to withdraw from the price-bidding process. The MJIB agent also confirmed this.

Chapter 5

1. Except for Yunlin, all six other counties have a city that bears the county's name.

2. This means voters in Taipei are unlikely to be influenced by vote-buying tactics. In Taipei, a candidate for city council needs to spend only two to three million dollars in the campaign. This amount would be considered extremely low in an election for the same position in southern Taiwan.

3. Before it was abolished in 1997, the provincial government of Taiwan was located in Taichung City.

4. One of the mayor's relatives was recently killed inside a nightclub. It is not clear

whether he was at the wrong place at the wrong time or murdered because of his role in the operation of the nightclub.

5. Lin was called American Po because he was the son of an American sailor and a Taiwanese bar girl, and he looked more American than Chinese.

6. About forty councilors were elected in Taichung County and about 800 councilors nationwide.

7. Yang Tien-sen was threatened, according to a popular theory, because he withdrew his support after Yen Ching-piao decided to run for Taichung County Council speaker. Yang's last-minute, unexpected decision was believed to have cost Yen the opportunity to be the speaker of Taichung County Council.

8. A local farmers' association is like a bank because it operates a sizeable credit union. The general manager has the final say on how to manage the deposits. This enables the general manager not only to grant loans to those who are on good terms with him, but also to play an important role in local elections. The general manager can use the credit union under his control to perform as a cash machine for candidates who must buy votes to win.

9. According to Taiwan's Anti-hoodlum Law, type A hooligans are chronic hoodlums without legitimate jobs; type B hoodlums are chronic hoodlums with legitimate jobs; type C hoodlums are former type A or type B hoodlums who have become elected deputies; type D hoodlums are those who do not pose a threat to society anymore but are not yet reformed well enough to have their names removed from the official list of hoodlums.

10. Most legislators are elected by the voters, but a small number of them are hand-picked by their political parties. Depending on how many seats a political party has won in the popular race, the party is given a certain number of seats, and it is up to the party to assign its members to the legislature as legislators-at-large.

11. Speaker and deputy speaker are selected by their peers in the council. In Taiwan, it is common for councilors who want to become leaders of their respective elected bodies to pay their colleagues a large sum of money for their votes. These people are willing to spend a fortune to be elected speaker or deputy speaker because it is they who can benefit most from bid rigging and other money-generating opportunities.

12. The Legislative Yuan, the highest legislative body of the state, has 225 members: 168 members elected for a three-year term in multiseat constituencies, 8 members representing the aboriginals, 41 members elected by proportional representation, and 8 members representing the overseas Chinese elected by proportional representation. The legislature has the following functions and powers: general legislative power, confirmation of emergency orders, hearing reports on administration and revision of government policy, examination of budgetary bills and audit reports, right of consent, amendment of the constitution, and settlement of disputes concerning self-governance.

13. Chinese people often passed out gift money in red envelopes.

14. Indeed, in 1997, with the support of the KMT, Lo Fu-chu was elected by his peers in the legislature to become the cochair of the legislature's judiciary committee. In response, thirty prosecutors wrote a letter to the authorities protesting the "spiritual leader" of the Celestial Alliance having the power to monitor the Ministry of Justice's attempt to sweep away gangs, saying that this was a world-class joke (Ma Ji-jun 1997a).

15. Bowing before fellow committee members is a ritual practiced under local governmental protocol when making reports or presentations.

Chapter 6

1. It was widely reported in the media that Wu Tse-yuan, while running for commissioner of Pingtung County in the early 1990s as a KMT candidate, relied on a group of

mobsters headed by then-speaker of Pingtung County Council to harass his opponent in the race, the incumbent commissioner who is a DPP member. This will be discussed later in this chapter.

2. To this, a DPP member who used to be a rising star in KMT local politics responded:

Black-gold politics is not the result of the DPP's antigovernment demonstrations. Even though the KMT accused the DPP of recruiting hooligans to be the instigators of those street demonstrations, they actually happened naturally. It's not the DPP's intention to recruit *jiaotou* members to fight for the party's cause. These allegations, plus the sour grapes theory, are what the KMT does to rationalize its relationship with *heidao* figures. It really doesn't make much sense.

3. According to Liao: "I wasn't the only person who was kidnapped and locked up in a dog pound. Many experienced this before me, but I was the only person who reported it to the police."

Chapter 7

1. The Department of Police Administration, a department under the Provincial Government of Taiwan, was also a major law enforcement institution before the Provincial Government was downsized in 1998.

2. From May 26 to September 25, 1984, the Taiwanese police announced that gangsters had to surrender to authorities. About 650 gangs announced their dissolution and more than 3,000 gangsters registered with the police (Chung Pai 1984b).

3. A Four Seas member stabbed Chang An-lo's son to death after the two started a fight outside a hostess bar in Taipei City. The Four Seas member later told the police that, when he got into a fight with the victim, he did not know the victim was Chang An-lo's son.

4. Before the passage of the Organized Crime Prevention Law, there was only one article within the Criminal Law that dealt with gang membership. According to Taiwan's Criminal Law, Article 154, if a person was convicted of being a member of a crime group, he would be sentenced to jail for a maximum of three years. If the person was the leader of the group, he would receive a one- to seven-year jail term (Su Nang-heng 1997).

5. According to the law, any group that is repeatedly involved in illegal activities but refrains from using threats or violence is not considered an organized crime group.

6. Meaning the subject wanted to make sure that he would not be handcuffed upon arriving at CKS Airport in Taipei and would not be sent to Green Island as a Chih-ping subject.

7. Nowadays, both local councilors and National Assembly members can be arrested while the meetings are in progress, with the exception of the legislators. It is called the "Hsiao Teng-piao provision" because, when he was the speaker of Chiayi County Council, even though he was wanted by the police, he was able to go back to Chiayi and convene a meeting of the council. The police could not do anything about it because at that time, the law said he couldn't be arrested. Being deeply humiliated by Hsiao's mockery and heavily criticized by the public, the Taiwan authorities revised the law to allow police to arrest elected deputies, with the exception of lawmakers.

Chapter 9

1. If politicians do not want to be identified with *heidao*, especially when it is considered undesirable under certain circumstances, they will find excuses such as: "As a politi-

cal figure, you need to participate in many banquets and you know that there are many *heidao* sharing the same table with you, and you can't really do anything about it," or "You can't really conclude that certain politicians are affiliated with *heidao* by observing the politicians' participation in the *heidao* or their relatives' funerals. On most occasions, the politicians have no idea to whom flowers are sent under his or her name."

Appendix

1. Academia Sinica, founded in 1928 in China, is the most prominent academic institution in Taiwan. While affiliated directly to the Presidential Office of Taiwan, Academia Sinica enjoys independence and autonomy in formulating its own research objectives. Its major tasks are to undertake in-depth, academic research on various subjects in the sciences and humanities and to provide guidelines, channels of coordination, and incentives with a view to raising academic standards in the country. In recent years, under the leadership of President Lee Yuan-tseh, Academia Sinica has been transformed into a modern research institution. Many of the twenty-five research institutes are now headed by world-class scholars and staffed by highly trained, motivated, and creative young investigators.

2. Over the past fifteen years, I became acquainted with many high-ranking law enforcement officials from Taiwan after I met them at international conferences on Asian organized crime. Some of my friends are professors at the Central Police University, and some of the former and current students at the School of Criminal Justice at Rutgers University are themselves law enforcement officials, and they all helped me in obtaining the cooperation of several key government figures in the fight against organized crime in Taiwan.

Glossary of Acronyms, Common Terms, and Well-Known People

Baidao. The underworld.

Bamboo United. The largest organized gang in Taiwan.

Bang biao. “Kidnap,” “wrap up,” or “withhold” a construction project through bribery.

Bu juan. Establishing a vote base.

Celestial Alliance. One of the three largest organized gangs in Taiwan.

Chang An-lo. The second highest leader of the Bamboo United gang.

Chang Da-wei. A leader of the Bamboo United gang.

Chang Jen. A leader of the Ying Chao *jiaotou*.

Chang Jung-wei. The incumbent commissioner of Yunlin County who is believed to be a former member of the underworld.

Chang Sheng-wu. A former councilor of Kaohsiung City who is alleged to be a *heidao* figure.

Chang Wen-ying. A former mayor (DPP) of Taichung City.

Chao Ching-hua. A leader of the Four Seas gang.

Chao Shiao-kang. A leader of the New Party who ran for the mayor of Taipei City in 1994 and lost to the DPPs' candidate Chen Shui-bian.

Chau yuan je tang. One type of collusive bidding.

Chen Chi-li. The highest leader of the Bamboo United gang.

Chen Chu-jan. A controversial local politician in Changhua County.

Chen Ding-nan. The incumbent Minister of Justice.

Chen Lu-an. A former KMT leader who ran for president in 1996 as an independent and lost to Lee Teng-hui of the KMT.

Chen Ming-wen. The controversial commissioner of Chiayi County.

Chen Shui-bian. The incumbent president (DPP) of Taiwan.

Chen Si-yung. A former commissioner of Chiayi County and a leader of a local faction.

Chen Ti-kuo. A businessman with strong ties to underworld figures who was implicated in the CKS Airport scandal.

Chen Yung-ho. A leader of the Four Seas gang who was gunned down in 1996.

Cheng Tai-chi. A former commissioner of Pingtung County and a powerful underworld figure who was executed in 2000 for murder.

Chi Ray-sen. An influential gangster who was killed in Japan in 1987 by another Taiwanese gangster.

Chi Wei-sen. The elder brother of Chi Ray-sen and himself a *heidao* figure.

Chiang Ching-kuo. A former president (KMT) and the son of Chiang Kai-shek.

Chiang Chu-ping. A businessman with close ties to the Four Seas gang.

Chiang Kai-shek. A former president (KMT) who is considered to be one of the most influential figures in modern Chinese history.

Chien Hsi-chieh. A DPP legislator who was assaulted by Lo Fu-chu because of his antigang campaign.

Chou Per-lun. A controversial DPP legislator.

Chu Kao-jen. A former legislator who was often involved in fist fights in the legislature.

Chu Sing-ye. A DPP legislator with a poor image.

Chung Chang-wei. A gangster from Yunlin County who was murdered in 1988.

Chung Yuan-feng. A gambling operator in Pingtung County who was killed by the then-commissioner Cheng Tai-chi.

CIB. Criminal Investigation Bureau.

Dajia le. Illegal lottery gambling in Taiwan.

Dongshizhang. Chairman of the board.

DPP. Democratic Progressive Party.

Fang Ming Kuan. One of the most powerful *jiaotou* groups in Taipei.

Feng Jia-chen. A leader of the Bamboo United who was implicated in the CKS Airport scandal.

Four Seas. One of the three most powerful gangs in Taiwan.

Fu ja. Protecting a political candidate during a campaign.

Hai xian. The sea network or underworld figures active in the coastal areas.

Heidao. The underworld in Taiwan.

Hau Pei-tsun. A mainlander army general who served as premier during the Lee Teng-hui era.

Hsiao Teng-piao. A former speaker of the Chiayi County Council who is alleged to be a *heidao* figure.

Hsiao Teng-shi. A former executive director of the Chiayi City Farmers' Association and an alleged underworld figure. One of the three brothers of the Hsiao clan.

Hsiao Teng-won. A former speaker of the Chiayi City Council and the eldest of the three brothers of the Hsiao clan.

Hsiao Yuan-yu. A legislator from Chiayi who is also the daughter of Hsiao Teng-won.

Hsieh Tung-yun. One of the founders of the Celestial Alliance gang who was gunned down by rival crime figures in 1993.

Hsieh Wei-lan. An underworld figure from Changhua who was one of the key suspects in the murder of Hsieh Tung-yun, another influential mobster.

Hsu Jin-teh. A mobster who was considered to be a major arms smuggler.

Hsu Kun-lung. A former Kaohsiung City councilor who was active in the city's sex industry. Hsu was blamed for the deadly shoot-outs between mobsters and police officers inside one of his sex establishments.

Hsu Kun-yuan. A Kaohsiung City councilor with a shady background. He is the brother of Hsu Kun-lung.

Hsu Ping-fung. A DPP National Assemblyman who was convicted for heroin trafficking.

Hsui Chia-an. A former mayor of Taipei County who is believed to be a close ally of Lo Fu-chu.

Hsui Hai-ching. A senior *jiaotou* figure who is called the "ultimate arbitrator" because of his enormous influence both in the upperworld and the underworld. Hsui is also a former Taipei City councilor.

Huang Ching-ping. A Pingtung County councilor who was one of the followers of Cheng Tai-chi, the gangster commissioner of the county.

Huang Chu-chuan. The speaker of Kaohsiung City Council who is alleged to be a black-gold figure.

Huang Chung-hsiung. A former councilor of Changhua County who was also a *heidao* figure.

Huang Chung-yi. A leader of the Fang Ming Kuan *jiaotou* group who was murdered by his followers in 1985.

Huang Ju-wang. A key underworld figure from Changhua with a reputation for violence.

Huang Shao-ching. A leader of the Bamboo United gang.

Huang Tai-lang. A key figure in the underworld of Pingtung County.

Huidao. The gray world.

Hung Si-tiao. A gangster councilor of Changhua County who was murdered in 1993.

IBMND. Intelligence Bureau of the Ministry of National Defense.

Jan Lung-lan. A key underworld figure who is known for his ability to evade law enforcement authorities.

Jen piao. Monitoring the vote.

Jia Shi-wei. A leader of the Pine Union gang who was killed in China.

Jianghu. The Chinese underworld.

Jiao ju. Disturbing a bidding process to extort money from the serious bidders.

Jiaotou. Local Taiwanese crime groups or criminals.

Jie pai. Borrowing a construction permit to involve in collusive bidding.

Juanjiao or tiau-a-ka. Pillar or vote broker.

KMT. Kuomintang Party.

Kor Chi-chuan. A Changhua councilor with a shady background who was killed in 1996.

Kung Kou. A *jiaotou* group.

Kuo Ting-tsai. A legislator from Pingtung County (KMT) who was convicted of financial fraud.

Laoda. Big boss or gang leader.

Lao Tai-sen. A leader of the Pei Lien gang.

Lee Teng-hui. A former president (KMT) who is blamed for the development of black-gold politics.

Lee Wen-tang. A councilor from Chiayi County (KMT) who fled to Cambodia after being listed as a Chih-ping target.

Lee Ya-jin. A former commissioner of Chiayi County (KMT).

Lee Yuan-tseh. A Nobel Laureate and the president of Academia Sinica—the highest research institution in Taiwan.

Lee Yueh-per. A gang leader in Kaohsiung City.

Liang Kuo-kai. A Fang Ming Kuan member who killed his leaders before he took his own life after being cornered by the police.

Liao Cheng-hao. A former minister of justice (KMT) who orchestrated the Chih-ping gang-sweep in 1996.

Liao Chuan-yu. A former commissioner of Yunlin County.

Liao Fu-pen. A long-time legislator (KMT) who is known for taking bribes.

Liao Hsueh-kuang. A legislator (Independent) who was kidnapped and locked up in a dog kennel.

Lien Chan. Served as vice president during the Lee Teng-hui era and now the chairman of the KMT.

Lin Ching-piao. An influential Celestial Alliance leader who is considered to be one of the legendary figures in the Yunlin County underworld. Lin was arrested during Operation Cleansweep.

Lin Fu-hsiung. A leader of the Lung Shan Temple *jiaotou* group before he was murdered.

Lin Jun-fa. A leader of the Fang Ming Kuan *jiaotou* group who was killed by his followers.

Lin Ma-san. A local politician from Changhua who was implicated in one of the most violent political campaigns.

Lin Ming-yi. A legislator from Yunlin County who is believed to be an underworld figure.

Liu Chi-shun. A Yunlin County gangster councilor who was gunned down in 1993.

Liu Hwan-rung. A member of the Bamboo United who was sentenced to death for his involvement in a series of murders.

Liumang. Hoodlum.

Liu Pang-yo. The commissioner of Taoyuan County who was murdered along with several other victims in 1996. Liu was believed to be extremely active in money-generating activities.

Liu Wei-ming. A Four Seas leader who was killed in Tokyo in 1988 by another fugitive from Taiwan.

Lo Fu-chu. A wealthy two-term legislator and the alleged leader of the Celestial Alliance. Lo was often involved in beating up his colleagues in the legislature and became the ultimate symbol of black-gold politics in Taiwan.

Lo Ming-chia. A son of the gangster legislator Lo Fu-chu and himself a legislator.

Lu Chao-sung. The Chiayi County councilor who was the first-ever active councilor to be arrested as a hoodlum.

Mindai. Political representative or elected deputy.

MJIB. Ministry of Justice Intelligence Bureau.

MOJ. Ministry of Justice.

NDC. National Defense Council.

Nien Chung-len. The gangster vice speaker of Changhua County who was notorious for his deep involvement in illegal gravel plant operations and violent activities. As a fugitive, he was killed in a car accident in China after being chased by Chinese police.

Northwest. One of the two most powerful gangs in Kaohsiung.

NP. New Party.

NPA. National Police Administration.

NSB. National Security Bureau.

Nyo Pu. One of the most influential *jiaotou* groups in Taipei.

Pai Ping-ping. An entertainer whose daughter was kidnapped and brutally murdered.

Pei Lien. One of the four major mainlander gangs in Taipei.

Perng Shaw-jiin. A legislator (DPP) who was stabbed by a Bamboo United member.

Perng Wan-lu. A female DPP leader who was murdered in Kaohsiung City.

Pine Union. One of the four most powerful mainlander gangs in Taipei.

Qiang biao. Robbing a bid or trying to win the bid by coming up with an incredibly low bid.

Saohei. Gang-sweep.

Seven Saints. One of the two most powerful gangs in Kaohsiung City.

Shan xian. The mountain network of crime figures active in the areas near the mountains.

Shi Tai-sen. A former legislator (KMT) from Tainan who is considered to be an underworld figure.

Shiun-lay (Operation Thunderbolt). A major antigang program conducted in 1990.

Soong, James. A former KMT leader who ran for president in 2000 as a maverick and lost to Chen Shui-bian by a narrow margin.

Swei Yi-fung. A Bamboo United leader who was implicated in the Henry Liu murder.

Taibao. Juvenile delinquent.

Tang Chung-sen. The flamboyant leader of the Pei Lien gang who was shot to death in 1999.

Tang Yu-lu. A local politician in Yunlin County who was murdered for political reasons.

Tsai Chi-fan. A former National Assemblyman (DPP) who is alleged to be an underworld figure.

Tsai Jin-tu. A former Taipei City councilor who was also an underworld leader.

Tsai Kuan-lun. A leader of the Four Seas gang who ran for the legislature twice and lost.

Tsai Ming-shian. A DPP lawmaker who is the nemesis of Lo Fu-chu in the legislature.

Tsai Sung-hsiung. The deputy speaker of Kaohsiung City Council and a legendary underworld figure.

- Tsai Yung-chang.** A former National Assemblyman who is the first-ever active national elected deputy to be arrested as a hoodlum during the Chih-ping crackdown in 1996.
- Tseng Jen-nung.** A wealthy businessman and a legislator (KMT) from Chiayi County who is viewed as a typical *heidao* figure.
- Tung Kwei-sen.** A Bamboo United leader who was convicted for the murder of Henry Liu and later killed by another inmate in a U.S. prison.
- Wang Hsi-ling.** The head of the Intelligence Bureau of the Ministry of National Defense who ordered Bamboo United leaders to travel to the United States to murder Henry Liu, a Chinese-American writer who lived in San Francisco.
- Wei biao.** One type of collusive bidding.
- Wu Hao-sung.** The gangster speaker of the Kaohsiung County Council who was killed by rival underworld figures.
- Wu Mu-tung.** A *heidao* figure and a former deputy speaker of the Tainan County Council who died unexpectedly in 1992.
- Wu Tse-yuan.** A former commissioner of Pingtung County (KMT) who was convicted of corruption and received a life sentence. While out on bail, he ran for the legislature and won.
- Wu Tun.** A Bamboo United leader who pulled the trigger on Henry Liu.
- Wu Tung-tang.** The head of the Sun Branch of the Celestial Alliance gang. Wu is considered the second highest leader of the gang, after Lo Fu-chu.
- Xiaodi.** Little brother or a gang follower.
- Xiongdi.** Brother or an underworld member.
- Yang Kuan-nang.** One of the leaders of the Four Seas gang.
- Yang Swan-wu.** One of the most violent underworld figures in Taiwan. Yang was arrested in Thailand and extradited to Taiwan and is now serving a life sentence.
- Yang Teng-kwei.** A former underworld figure from Kaohsiung City who later became one of the most influential businessmen in the cable and entertainment industries.
- Yeh Ming-chai.** A leader of the Nyo Pu *jiaotou*.
- Yen Ching-piao.** A former speaker of Taichung County Council and an incumbent legislator who is alleged to be an influential figure in the underworld.
- Yi-ching (Operation Cleansweep).** A major antigang program launched in 1984.
- Yu Cheng-ta.** A councilor from Chiayi who was listed as a Chih-ping target.
- Yu Cheng-tao.** A lawmaker (DPP) who was attacked by Lo Fu-chu.
- Zhaoshi.** Settling disputes and resolving conflicts.
- Zhong guan xian.** A *heidao* figure with a national reputation.
- Zutou.** A mid-level bookie.

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