

Megaupload founder denies piracy, demands release

January 23 2012



A view of the "Dotcom Mansion" where on January 20, 2012, four men were arrested in connection with the Megaupload.com website, in Coastville, Auckland on January 23, 2012. Megaupload's website was shut down on January 21 by US authorities who accuse it of one of the largest cases of copyright theft ever.

Megaupload's detained founder Monday denied wrongdoing after US authorities shut down his file-sharing website, as new details emerged of a rock-star life featuring "fast cars" and "hot girls".

Appearing in a New Zealand court, Kim Dotcom demanded to be freed

from police custody and denied doing anything illegal, rejecting US claims that he had overseen one of the Internet's biggest and most lucrative [crime scenes](#).

The judge reserved a decision until at least Tuesday on a bail application filed by the German businessman, who is also known as Kim Schmitz and who faces extradition to the United States to answer charges of rampant copyright theft.

He is among seven people indicted by the [US Justice Department](#) and FBI, which said they were "responsible for massive worldwide online piracy of numerous types of copyrighted works, through Megaupload.com" and other sites.



Friends and family of Kim Dotcom stand outside the North Shore court following a hearing for Megaupload.com founder Kim Dotcom in Auckland on January 23, 2012. The founder of the file-sharing site appeared in a New Zealand court demanding to be released from prison and denying he had done

anything illegal.

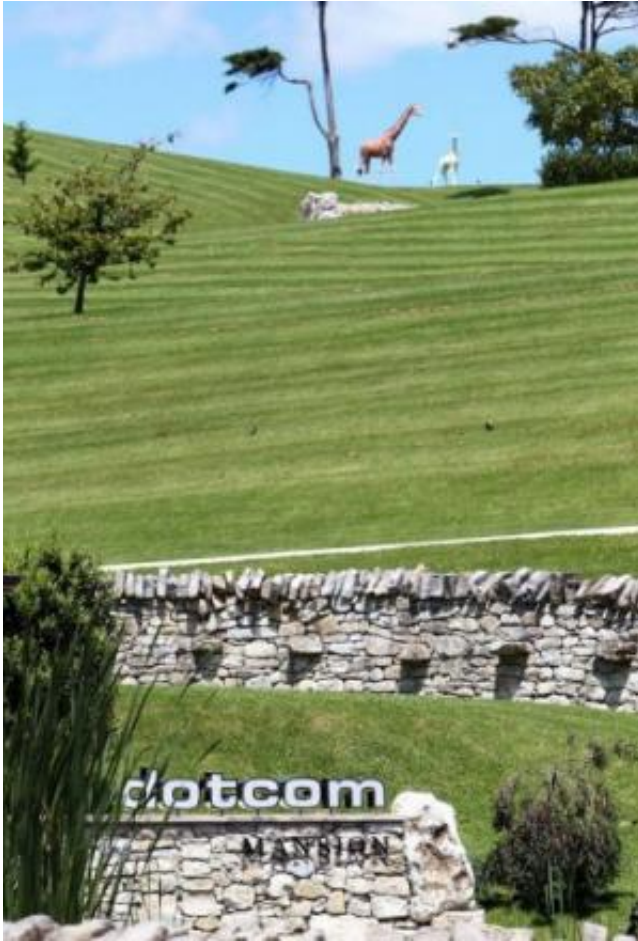
They generated more than \$175 million in criminal proceeds and caused more than \$500 million in harm to copyright owners by offering pirated copies of movies, TV programmes and other content, according to Thursday's indictment.

Dotcom has vigorously denied the allegations, and his lawyer Paul Davison told the bail hearing that the 37-year-old German, who has New Zealand and Hong Kong residency, had not been involved in any criminal activity.

"This is not a case where there will be any concession by Mr Dotcom," Davison told the North Shore District Court in Auckland.

The lawyer said Dotcom had no intention of fleeing if granted bail as he wanted to stay in New Zealand with his pregnant wife and family, and had no incentive to re-start the business as all his servers had been shut down.

However, prosecutor Anne Toohey described the imposing Dotcom as an "extreme" flight risk and said that he had fled to Thailand when he was previously wanted on charges in Germany.



Statues of animals stand on a hill at the "Dotcom Mansion", owned by the founder of Megaupload.com, in Coastville, Auckland on January 23, 2012.

She also opposed electronic bail as it would likely give Dotcom access to telephones and the Internet.

Toohey told the court that more than 30 credit cards in a variety of names were found in Dotcom's mansion and he also had passports in three different names.

The Megaupload founder was arrested during a raid Friday on his "Dotcom Mansion" in Auckland. Police said they seized a 1959 pink

Cadillac among other vintage cars, along with a sawn-off shotgun and valuable artworks.

The New Zealand Herald detailed new claims about Dotcom's lavish lifestyle including how he had filled a swimming pool with imported spring water.

And a documentary uploaded online shows Dotcom, surrounded by topless women, spraying champagne on board a superyacht during a "crazy weekend" in Monaco that reportedly cost US\$10 million.

"Fast cars, hot girls, superyachts and amazing parties. Decadence rules," said the blurb accompanying the documentary, which Dotcom dedicated to "all my fans".



The home page of Megaupload.com, one of the largest file-sharing websites shut down by US authorities, is seen on January 20. Megaupload is the most high-

profile target yet of a US campaign which has seen the seizure of hundreds of sites accused of offering pirated music or movies or counterfeit goods.

The FBI estimated that in 2010 Dotcom personally made around \$115,000 a day from his Megaupload empire.

[Megaupload](#) Ltd and another company, Vestor Ltd, were indicted by a US grand jury and charged with racketeering conspiracy, copyright infringement and conspiring to commit money laundering.

Vestor's sole shareholder is Kim Dotcom. His six fellow accused come from Estonia, Germany, the Netherlands and Slovakia.

Kim and three associates arrested with him in Auckland do not face charges in New Zealand and following the bail hearing, US authorities have 45 days to file [extradition](#) documents. The other three indicted people remain at large.

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