

Megaupload founder joked about his 'hacker' past

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Megaupload.com employees Bram van der Kolk, also known as Bramos, left, Finn Batato, second from left, Mathias Ortmann and founder, former CEO and current chief innovation officer of Megaupload.com Kim Dotcom (also known as Kim Schmitz and Kim Tim Jim Vestor), right, appear in North Shore District Court in Auckland, New Zealand, Friday, Jan. 20, 2012. The four appeared in court in relation to arrests made to Megaupload.com, which is linked to a U.S. investigation into international copyright infringement and money laundering. (AP Photo/Greg Bowker, New Zealand Herald) NEW ZEALAND OUT, AUSTRALIA OUT

(AP) -- Two years ago, Megaupload founder Kim Dotcom joked in emails with his new neighbors in New Zealand about his bad-boy reputation before telling them his criminal past was behind him and he was coming to the country with good intentions.

"I am a former hacker" who was once convicted of [insider trading](#), he

wrote, before going on to say "In all seriousness: My wife, two kids and myself love New Zealand and 'We come in peace.'"

Dotcom's emails came to light Wednesday, the same day a New Zealand judge denied him bail following his arrest on U.S. accusations of [copyright infringement](#) and a U.S. official confirmed the arrest of a fifth member of his company.

Judge David McNaughton in Auckland denied [Dotcom](#) bail pending a hearing Feb. 22 on his possible extradition to face trial in the United States, saying Dotcom poses a flight risk. Dotcom, 38, insists he is innocent and poses no flight risk.

New Zealand police arrested three other Megaupload employees last week on U.S. accusations they facilitated millions of illegal downloads of films, music and other content, costing copyright holders at least \$500 million in lost revenue. McNaughton is expected to make bail rulings on the three later this week or early next week.

In Washington, a U.S. Justice Department official said Dutch police have arrested a fifth suspect - software programmer Andrus Nomm, 32, a citizen of Estonia and a resident of both Turkey and Estonia. The official spoke on condition of anonymity because the case is still pending.

In New Zealand, Dotcom's neighbor Kevin Crossley said Dotcom cut an imposing figure when he took a lease on the \$24 million luxury mansion in their sleepy neighborhood of Coatesville, near Auckland. Crossley said he never met Dotcom, but he would see him zooming past in luxury cars when he went horse riding.

Dotcom sent emails to Crossley's wife France Komoroski and other neighbors, joking that "a criminal neighbor like me" could help them

with insider stock tips and tax fraud. But then he turned serious.

"Fifteen years ago I was a hacker and 10 years ago I was convicted for insider trading," he wrote. "Hardly the kind of crimes you need to start a witch hunt for. Since then I have been a good boy, my criminal records have been cleared, and I created a successful Internet company that employs 100+ people."

Dotcom first developed a reputation as a computer hacker in his native Germany, where he was born Kim Schmitz.

Later, in 2002, he received a 20-month suspended sentence after being found guilty of manipulating stock prices to earn himself \$1.1 million.

The flamboyant Dotcom also made headlines after the terrorist attacks of 9/11 when he offered a \$10 million reward on his website for information leading to the capture of al-Qaida leader Osama bin Laden.

In New Zealand, Prime Minister John Key faced awkward questions Wednesday about how immigration officials could have granted Dotcom residency despite his prior convictions - and then the government could later turn down his application to buy the Coatesville mansion due to questions over his character prompted by those same convictions.

Key said Dotcom had disclosed his convictions in his immigration application but that enough time had elapsed to give him a clean slate. Key acknowledged it seemed inconsistent that the test for buying land would be higher than the test for residency.

"What I've asked my officials to do, is to go away and have a look, because there's clearly a potential anomaly there," Key told reporters Wednesday.

In all, U.S. authorities have charged seven men in the conspiracy case and are still seeking the arrest of the remaining two men.

Authorities in the U.S. are seeking to extradite the four men arrested in New Zealand and are also expected to seek Nomm's [extradition](#).

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