

# Megaupload boss to remain on bail in New Zealand

February 29 2012

---

Megaupload boss Kim Dotcom won a legal battle to remain free on bail in New Zealand Wednesday but must reportedly wait to find out if funds will be released to pay for luxuries such as a butler and nannies.

Dotcom was freed on bail last week but [prosecutors](#) returned to court seeking to put him back behind bars, arguing there was a risk he would flee the country to escape US allegations he masterminded an online [piracy](#) empire.

The High Court in Auckland dismissed [prosecution](#) fears that [Dotcom](#) had hidden funds he could use to go on the run, saying he would remain on bail under strict conditions while US authorities seek his [extradition](#).

A jubilant Dotcom, 38, clad in his customary black outfit, left the court accompanied by his heavily pregnant Filipina wife Mona.

In a separate hearing in the same courthouse, Dotcom's lawyers made an application to release some of the funds seized when New Zealand police, cooperating with a major US probe, raided his mansion on January 20.

Prosecutors said the German national, who US authorities allege earned \$42 million from his file-sharing websites in 2010 alone, was asking for NZ\$220,000 (\$185,300) a month to fund his lifestyle, TVNZ reported.

The monthly costs racked up by the portly millionaire included wages

for [security guards](#), a butler, nannies for his children and rent on his sprawling NZ\$30 million mansion on Auckland's outskirts, it reported.

He was also said to need NZ\$5,000 for a landline to coordinate his defence after being banned from using the Internet while on bail, and "[living expenses](#)" totalling almost NZ\$29,000.

Prosecutor Anne Toohey said the request for NZ\$220,000 was unreasonable, given the average New Zealand family survived on about NZ\$6,000 a month.

The court reportedly released a one-off amount of just over NZ\$100,000 to cover the medical and living expenses faced by Dotcom's wife, as well as some creditor payments, ordering both sides to come back after negotiating a suitable monthly allowance.

Dotcom, who legally changed his name from Kim Schmitz, has denied any wrongdoing. It was the fourth bail hearing he has faced since the raid on his mansion.

At the first two, prosecutors successfully argued he was a serious flight risk, with the wealth and connections to slip out of the country if he wished.

But he was given [bail](#) in a surprise move last Wednesday, when a court accepted that it was in his interests to fight the case and seek to retain his assets, rather than abandon his family for a life on the run.

The US Justice Department and FBI allege Megaupload and related sites netted more than \$175 million in criminal proceeds and cost copyright owners over \$500 million by offering pirated copies of movies, TV shows and other content.

[Megaupload](#) was founded in 2005 but shut down last month when its assets were frozen as part of the US probe.

A US application for Dotcom's extradition is expected to be heard on August 20. US authorities have said they will seek the maximum penalty of 20 years in jail if he is brought before an American court.

(c) 2012 AFP

Citation: Megaupload boss to remain on bail in New Zealand (2012, February 29) retrieved 2 May 2024 from <https://phys.org/news/2012-02-megaupload-boss-bail-zealand.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--