

Kim Dotcom's money won him New Zealand residency

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In this Feb. 22, 2012 file photo, Kim Dotcom, the founder of the file-sharing website Megaupload, comments after he was granted bail and released in Auckland, New Zealand. In the eyes of New Zealand immigration authorities in 2010, Kim Dotcom's money trumped his criminal past. Documents released to The Associated Press this week under New Zealand public records laws show that immigration officials granted the Megaupload founder residency that year after deciding the money he could bring to the country outweighed concern about criminal convictions in his native Germany for computer fraud and stock-price manipulation. (AP Photo/New Zealand Herald, Brett Phibbs, File) NEW ZEALAND OUT, AUSTRALIA OUT

(AP) -- In the eyes of New Zealand immigration authorities in 2010, Kim Dotcom's money trumped his criminal past.

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Zealand public records laws show that immigration officials granted the Megaupload founder residency that year after deciding the money he could bring to the country outweighed concern about [criminal convictions](#) in his native Germany for computer fraud and stock-price manipulation.

Dotcom was charged with racketeering in the U.S. this year; prosecutors say he facilitated millions of illegal downloads through his website. U.S. authorities are seeking Dotcom's extradition from New Zealand, where he remains under house arrest.

At the time his residency application was being considered, Dotcom had made charitable contributions in New Zealand and was planning to sponsor a fireworks show for the city of Auckland at a cost of 600,000 New Zealand dollars (\$492,000). He set a deadline for immigration officials to act on his application and threatened to move to Australia or Canada if they didn't meet it.

They complied.

"The applicant has already made a substantial economic contribution to New Zealand through his spending here and will make further investments," immigration official Chris Biggs wrote. "I consider that these benefits and potential benefits outweigh the negative aspects flowing from the applicant's convictions."

In an email sent Tuesday to the AP, immigration official Jan Clark said due process was followed and all elements of Dotcom's application were appropriately considered.

New Zealand records show that Dotcom first applied for New Zealand residency in June 2010 under a special category for wealthy investors. Before that, he had been living in Hong Kong, where Megaupload is

registered.

Dotcom's immigration agent, David Cooper, described him in application papers as a billionaire, a term immigration officials repeated in their own assessments. Cooper told the AP in an interview that the description came from Dotcom himself.

Subsequent asset seizures, however, indicate Dotcom's wealth to be far less than \$1 billion. Dotcom's lawyers have declined AP requests to make him available for an interview.

Dotcom was convicted in 1998 of [computer fraud](#) and dealing in stolen phone cards. In 2002, he was convicted of manipulating the stock price of an Internet startup. Both times, he was fined but managed to avoid jail time. New Zealand immigration authorities noted that the convictions occurred a long time ago.

On Oct. 26, 2010, an immigration manager, Gareth Grigg, sent a memo to a colleague saying that he'd been advised by Cooper that "Mr. Dotcom wants a decision on his application by 1 November 2010 or he will walk away" and consider his residency options in Australia or Canada.

He noted Dotcom's charitable contributions, but also noted in a section titled "Risks" that: "Mr. Dotcom may be seen to be controlling the processing of his application;" that he may "attract 'buying residence' criticism;" and that proceeding with the application without all the outstanding information "may amount to Mr. Dotcom being afforded special treatment because of his wealth."

Nevertheless, six days later - on Dotcom's Nov. 1 deadline - New Zealand [immigration officials](#) decided to grant him residency.

Two months after he was granted residency, Dotcom was convicted in

Hong Kong on several counts of failing to disclose his shareholding levels to the Securities and Futures Commission, and was fined 8,000 Hong Kong dollars (\$1,031). New Zealand immigration authorities decided the convictions were too minor to consider deporting Dotcom.

In another development, Dotcom this week told file-sharing news website TorrentFreak that "Guess what - we found a large number of Mega accounts from U.S. government officials, including the Department of Justice and U.S. Senate."

Megaupload was shut down in January when Dotcom was arrested.

"I hope we will soon have permission to give them and the rest of our users access to their files," Dotcom told the website.

Dotcom did not suggest that government officials illegally shared copyrighted material. U.S. prosecutors allege that illegal downloads on Dotcom's website cost movie makers and songwriters some half a billion dollars.

Dotcom, who legally changed his name from Kim Schmitz, has said U.S. authorities have cherry-picked evidence in their indictment in a way that is "misleading and malicious."

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