

ORDER PROHIBITING PUBLICATION OF NAMES OR IDENTIFYING PARTICULARS OF C, H, W AND TWO CONNECTED PARTIES PURSUANT TO SS 200 AND 202 OF THE CRIMINAL PROCEDURE ACT 2011 UNTIL HEARING OF APPLICATION(S) FOR PERMANENT NAME SUPPRESSION

**IN THE HIGH COURT OF NEW ZEALAND
AUCKLAND REGISTRY**

**I TE KŌTI MATUA O AOTEAROA
TĀMAKI MAKAURAU ROHE**

**CRI-2020-004-806
[2022] NZHC 2540**

THE KING

v

**YIKUN ZHANG, SHIJIA (COLIN) ZHENG, HENGJIA (JOE) ZHENG, C, H, W
and JAMI-LEE MATENGA ROSS**

Hearing: 26-29 July, 1-5 August, 8-12 August, 15-17 August, 22-26 August,
29-30 August, 1 September, 5-8 September 2022

Appearances: P Wicks KC, J Dixon KC, K Hogan (via VMR), K Bannister and
H Moore-Savage for the Crown
J Katz KC, B A Keown, L Lindsay and N Small for Mr Zhang
P Dacre KC and W Andrews for Shijia (Colin) Zheng
R L Thomson and A Young for Hengjia (Joe) Zheng
S Lowery and J Suyker for C
M Corlett KC (via VMR) for H
SNB Wimsett and Y Y Mortimer-Wang for W
R M Mansfield KC and H C Stuart for Mr Ross

Verdicts 5 October 2022

VERDICTS OF GAULT J

[1] The purpose of this hearing is to deliver my verdicts in open court.

[2] Following investigations by the Serious Fraud Office (SFO) into political party donations to the National Party and the Labour Party, the Crown alleges that the defendants adopted a fraudulent device, trick, or stratagem to deceive by providing sham names of purported donors below the \$15,000 disclosure threshold in the Electoral Act 1993, amounting to an offence of obtaining by deception under s 240(1)(a) of the Crimes Act 1961, as follows:

- (a) Mr Yikun Zhang (Mr Zhang), Mr Shijia (Colin) Zheng (Mr Colin Zheng), Mr Hengjia (Joe) Zheng (Mr Joe Zheng), C, H and W¹ face two alternative charges of obtaining by deception in relation to a payment of \$60,000 to the Labour Party in March 2017 for the purchase of five paintings, which amounted to a donation of \$34,840 after deducting the value of the paintings;
- (b) Mr Jami-Lee Ross (Mr Ross), Mr Zhang and Mr Colin Zheng face two alternative charges of obtaining by deception in relation to a donation of \$100,000 made to the National Party in June 2017; and
- (c) Mr Ross, Mr Zhang, Mr Colin Zheng and Mr Joe Zheng face two alternative charges of obtaining by deception in relation to a donation of \$100,050 made to the National Party in June 2018.

[3] In each case, the Crown case under s 240(1)(a) is based on obtaining a “benefit”. The alternative charges allege a different benefit – either the Party’s possession of the donation or the true donor’s freedom from public scrutiny.

[4] Mr Joe Zheng also faces a charge of supplying false or misleading information to the SFO under s 45(a) and (d) of the Serious Fraud Office Act 1990 (SFO Act).

¹ Where the defendants and others of Chinese origin use anglicised names with surname last, I do the same for consistency and meaning no disrespect.

[5] The trial proceeded as a Judge-alone trial and I reserved my decision.

[6] I am required to give reasons for my verdicts.² Rather than reading at length, the reasons will be made available immediately following this hearing.

[7] Will the defendants please stand.

[8] I return the following verdicts:

| Charge | Description | Verdict |
|-----------------|---|----------------|
| Charge 1 | March 2017 donation to Labour Party – benefit to Party | |
| Mr Zhang | | Not guilty |
| Mr Colin Zheng | | Not guilty |
| Mr Joe Zheng | | Not guilty |
| C | | Not guilty |
| H | | Not guilty |
| W | | Not guilty |
| Charge 2 | March 2017 donation to Labour Party – benefit to donor | |
| Mr Zhang | | Not guilty |
| Mr Colin Zheng | | Not guilty |
| Mr Joe Zheng | | Not guilty |
| C | | Not guilty |
| H | | Not guilty |
| W | | Not guilty |
| Charge 3 | June 2017 donation(s) to National Party – benefit to Party | |
| Mr Zhang | | Not guilty |
| Mr Colin Zheng | | Guilty |
| Mr Ross | | Not guilty |

² Criminal Procedure Act 2011, s 106(2). See *Sena v New Zealand Police* [2019] NZSC 55, [2019] 1 NZLR 575 at [17]-[18], citing *R v Connell* [1985] 2 NZLR 233 (CA) at 237-238 and *R v Eide* [2005] 2 NZLR 504 (CA) at [20]-[21].

| Charge | Description | Verdict |
|-----------------|---|----------------|
| Charge 4 | June 2017 donation(s) to National Party – benefit to donor(s) | |
| Mr Zhang | | Not guilty |
| Mr Colin Zheng | | No verdict |
| Mr Ross | | Not guilty |
| Charge 5 | June 2018 donation(s) to National Party – benefit to Party | |
| Mr Zhang | | Guilty |
| Mr Colin Zheng | | Guilty |
| Mr Joe Zheng | | Guilty |
| Mr Ross | | Not guilty |
| Charge 6 | June 2018 donation(s) to National Party – benefit to donor | |
| Mr Zhang | | No verdict |
| Mr Colin Zheng | | No verdict |
| Mr Joe Zheng | | No verdict |
| Mr Ross | | Not guilty |
| Charge 7 | Obstructing investigation by supplying false or misleading information | |
| Mr Joe Zheng | | Guilty |

[9] Having conferred with counsel, I enter convictions in respect of each of the guilty verdicts and acquittals in respect of each of the not guilty verdicts.

[10] Mr Zhang, Mr Colin Zheng and Mr Joe Zheng are remanded for sentencing on Wednesday 30 November 2022 at 9:00 am. I direct the provision of pre-sentence reports with appendices.

[11] Mr Wicks accepted that it is appropriate for bail to continue on existing terms until sentencing (including surrender of passports and not applying for travel documents). He acknowledged that in terms of s 13 of the Bail Act 2000, a non-custodial sentence is possible. I am satisfied it is in the interests of justice for bail to

continue on existing terms until sentencing. Mr Zhang, Mr Colin Zheng and Mr Joe Zheng are remanded on bail on existing terms until Wednesday 30 November 2022 at 9:00 am.

[12] C, H and W and two connected parties had interim name suppression until verdicts. They have signalled applications for permanent name suppression. Any applications are to be filed and served – including on the media through Mr Stewart – by 11 October 2022. I extend their interim name suppression pending hearing of any such applications.

[13] Any request to redact private information from the public version of my reasons judgment is to be made within three hours given judgment distribution timing.

Gault J

Solicitors / Counsel:

Mr P Wicks KC, Mr J Dixon KC and Ms K Hogan, Barristers, Auckland
Ms K Bannister and Ms H Moore-Savage, Serious Fraud Office, Auckland
Mr J Katz KC, Ms L Lindsay and Ms N Small, Barristers, Auckland
Mr D Courtney (Mr Zhang's instructing solicitor), Courtney & Co, Auckland
Mr B A Keown, Ms Z Farquhar and Mr D Scholes (for Mr Zhang), Bell Gully, Auckland
Mr P Dacre KC and Ms W Andrews, Barristers, Auckland
Ms R L Thomson and Mr A Young, Barristers, Auckland
Ms J Pidgeon (Mr H Zheng and Mr S Zheng's instructing solicitor), Pidgeon Judd Ltd, Auckland
Mr S Lowery and Mr J Suyker, Barristers, Auckland
Mr X Zhang (C's instructing solicitor), Zhang Law, Auckland
Mr M Corlett KC, Barrister, Auckland
Mr S McArley (H's instructing solicitor), Solicitor, Auckland
Mr SNB Wimssett and Ms Y Y Mortimer-Wang, Barristers, Auckland
Mr R M Mansfield KC and Ms H C Stuart, Barristers, Auckland
Mr C Hocquard (Mr Ross's instructing solicitor), Dominion Law, Auckland