



Third person charged in connection with Crafar farms bid

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A third person associated with an attempt to purchase the farm assets of the Crafar family (the Crafar farms) has been charged in Hong Kong and appeared in court yesterday.

Yee Wenjye (40, also known as Eric Yee), a Singaporean national and New Zealand resident, was charged with one count of conspiracy to defraud by the Independent Commission Against Corruption (ICAC) in Hong Kong.

Mr Yee is accused of conspiring to defraud Natural Dairy (NZ) Holdings Limited, its directors and shareholders, by falsely representing that the 22 farms owned by the CraFarms Group had made a profit of NZ\$18.5 million for the year ending May 2009. It is alleged that the company had in fact made a significant accounting loss for the year of around NZ\$30 million.

SFO Chief Executive Adam Feeley said that the further charge by Hong Kong authorities was consistent with the evidence SFO investigations had uncovered.

"The further charge reinforces our initial view as to the best options for law enforcement. We concur with the additional action being taken by ICAC, and believe that our law enforcement efforts can be most effectively applied to supporting the ICAC case through the evidence of SFO forensic accountants involved with the investigation."

On 17 October 2011, May Hao (formerly known as May Wang), the former operator of UBNZ Assets Holdings Limited (UBAH), was charged by ICAC with one count of conspiracy to offer advantages to an agent and two counts of dealing with property known or reasonably believed to represent proceeds of a crime.

Chen Keen (also known as Jack Chen) was charged in Hong Kong on 21 October 2011 with one count of conspiracy to offer advantages to an agent and one count of dealing with property known or reasonably believed to represent proceeds of a crime.

May Hao and Chen Keen also re-appeared in court yesterday.

Mr Yee is alleged to have conspired with May Hao and Chen Keen in misrepresenting the financial strength of the Crafar farms.

Natural Dairy is listed on the Main Board of the Stock Exchange of Hong Kong but trading has been suspended since 7 September 2010.

The charges follow a joint investigation into the company undertaken by the Serious Fraud Office (SFO) in New Zealand and ICAC in Hong Kong.

The SFO commenced its investigation in September 2010 when the Natural Dairy bid to purchase the Crafar farms in 2010 was being assessed by the Overseas Investment Office (OIO). ICAC opened a separate investigation into Natural Dairy after receiving an allegation of corruption.

Mr Feeley said that the case underscored the increasing importance of sharing evidence and resources with overseas law enforcement agencies.

"I think it is unlikely either agency would have progressed this case as effectively without the joint investigative efforts which occurred, and it is likely to become an increasing feature of our cases in the coming years."

Mr Feeley said that the SFO had preliminary discussions with a number of specialist overseas financial crime agencies last year, and hoped to advance those discussions into formal intelligence and information sharing arrangements in 2012.

The case against Mr Yee has been adjourned to 18 April 2012. The case against May Hao and Chen Keen has also been adjourned to 18 April 2012.

For further information

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Note to editors

Charges against May Hao (Wang)

Three charges were laid by ICAC on Monday, 17 October 2011 against May Hao (formerly known as May Wang).

These include one count of conspiracy to offer advantages to an agent, contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance and Section 159A of the Crimes Ordinance (Hong Kong); and two of dealing with property known or reasonably believed to represent proceeds of an indictable offence, contrary to Section 25(1) of the Organised and Serious Crimes Ordinance (Hong Kong).

Charges against Chen Keen (Jack Chen)

Two charges were laid by ICAC on Monday, 17 October 2011 against Chen Keen (also known as Jack Chen).

These include one count of conspiracy to offer advantages to an agent, contrary to Section 9(2)(a) of the Prevention of Bribery Ordinance and Section 159A of the Crimes Ordinance (Hong Kong); and one of dealing with property known or reasonably believed to represent proceeds of an indictable offence, contrary to Section 25(1) of the Organised and Serious Crimes Ordinance (Hong Kong).

Role of the SFO

The Serious Fraud Office (SFO) was established in 1990 under the Serious Fraud Office Act in response to the collapse of financial markets in New Zealand at that time.

The SFO operates three investigative teams:

- Fraud Detection & Intelligence;
- Financial Markets & Corporate Fraud; and
- Fraud & Corruption.

The SFO operates under two sets of investigative powers.

Part 1 of the SFO Act provides that it may act where the Director "has reason to suspect that an investigation into the affairs of any person may disclose serious or complex fraud."

Part 2 of the SFO Act provides the SFO with more extensive powers where: "...the Director has reasonable grounds to believe that an offence involving serious or complex fraud may have been committed..."

The SFO's Annual Report 2011 sets out its achievements for the past year, while the Statement of Intent 2011-2014 sets out the SFO's three year strategic goals and performance standards. Both are available online at:

www.sfo.govt.nz