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Our Ref: FDC2016/74

The Hon Peter Hall QC
Chief Commissioner
Independent Commission Against Corruption
Level 7, 255 Elizabeth Street
SYDNEY NSW 2000

RECEIVED

15 JAN 2018

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PROPERTY**Delivered by hand**

15 January 2018

Sensitive

Dear Chief Commissioner

Referral under s 13A(2) of the *Independent Commission Against Corruption Act 1988*

At its meeting of 13 December 2017, the NSW Electoral Commission (the Commission) determined to refer certain conduct of the Australian Labor Party (NSW Branch) (the ALP), and members and employees engaged in that conduct, to the Independent Commission Against Corruption under s 13A(2) of the *Independent Commission Against Corruption Act 1988* (ICAC Act), because there are reasonable grounds to suspect that the conduct may involve a possible criminal offence to which s 13A applies.

In determining whether to make this referral, the Commission has taken into consideration the provisions of s 13A(5) of the ICAC Act; a copy of the Commission's Statement of Reasons for referral is enclosed.

Summary of facts in relation to possible electoral offences

On 12 March 2015, the Chinese Friends of Labor held a fundraising function at the Eight Modern Chinese Restaurant, Sydney, from which the total gross donations generated for the ALP and for the Country Labor Party (the CLP) were \$88,930 and \$50,000 respectively. These donations were disclosed to the Commission in the ALP's and CLP's corresponding 2014/2015 party declarations of disclosure.

Financial records provided in their disclosures revealed that \$50,000 of this donation to the ALP, and the entire \$50,000 donated to the CLP, was received in the form of cash from a total of twelve donors and deposited on 9 April 2015 into the respective parties' state campaign account. The cash donations were banked almost a month after the fundraising event was held.

Possible relevant campaign finance offences

The information held by the Commission contained in the attached file raise concerns as to the possible commission of the following offences against the *Election Funding, Expenditure and Disclosures Act 1981* (EFED Act):

1. Section 96H(2) – False statement in a disclosure;
2. Section 96HA(2) – making a donation with the intention of causing the donation to be accepted in contravention of Division 2A [s 95B(1) – prohibition on political donations to the benefit of a registered party exceeding the applicable cap];
3. Section 96HB(1) - Offences relating to scheme to circumvent the donation or expenditure prohibitions or restrictions; and
4. Section 96I – Act that is unlawful under Division 4A [s 96GA – political donation by prohibited donors unlawful].

Information pertaining to when and how the possible offences came to the attention of the Commission

Both the ALP and CLP lodged their 2014/2015 declarations of disclosure of political donations and electoral expenditure on 2 November 2015. The Commission's Funding, Disclosure and Compliance Division conducted compliance audits upon the lodged disclosures. During the course of these audits, it was observed that one of the fundraising events listed in the disclosures related to a 'Chinese Friends of Labor Dinner' held at The Eight Modern Chinese Restaurant on 12 March 2015 ('the Dinner'). Details of the Reportable Political Donations received for this fundraising event were reviewed and a number of major political donors giving \$5,000 (the cap at the relevant time) to either, or both, the ALP and CLP were identified.

A review of each major political donor profile revealed the current or past occupation of five of these donors as being waiter or waitress. There is evidence to support the assertion that these donors have a connection with Emperor's Garden Pty Ltd, which is a family business of Mr Jonathan Yee. Mr Yee was also disclosed by the ALP and CLP as a major political donor at the Dinner. Given the relatively modest income associated with the waiter/waitress profession, suspicions were raised as to how these individuals could be in a position to make donations of up to \$10,000.

Accordingly, the matter was referred to the Commission's investigation team to review the veracity of the donations in accordance with the provisions of the EFED Act. Using statutory powers, investigators requested documents and information from each of the major political donors who were listed as attendees and donors at the Dinner. The information collated revealed the following:

- Many of the listed donors did not have the financial means to make major political donations;

- Many of the listed donors stated they raised the donations by saving 'Chinese lucky money', otherwise known as 'red packets' that are gifted from family and friends at milestone events, such as a birthday, Chinese New Year, etc.;
- Seven of the twelve listed donors stated their donation was handed to Mr Yee;
- Other than members of the Yee family, Mr To Yip was the only other donor to attend the function, albeit for a brief moment to have one drink and leave; and
- Mr Yip confirmed he did not donate \$5,000, claiming to have only paid \$500 for a seat at the dinner.

Mr Jonathan Yee

Mr Yee is the Chairman of the Chinese Friends of Labor, and was part of the organising committee for the Dinner. He was interviewed regarding this matter and informed investigators that he collected a number of donations from people he touted for support on behalf of the ALP. Mr Yee admitted he failed to record the name of individuals as they handed him donations; and that there was no form of accounting ledger kept by him, other than to say he knew who handed him money. He could not offer an explanation as to how the ALP and CLP distinguished the donations received from certain individuals.

During his interview, Mr Yee admitted to making one \$5,000 donation, and a \$500 payment for a seat at a table. He further stated that all the money was going to the ALP. When he received two receipts from the ALP, one transferring \$5,000 to the CLP and another for \$5,000 to the ALP, he did not raise the issue of overstating his contribution to the ALP.

Mr Yee included the two \$5,000 donations on his disclosure, as he thought the ALP was only required to receipt one person per table, given the difficulty in accounting for every person purchasing a seat. Furthermore, at the time of the event Mr Yee was not aware there was a statutory cap of \$5,000 on donations to registered political parties. However, when interviewed, Mr Yee said that the donation was only in the amount of \$500.00.

Similarly, Mr Yee admitted to assisting his mother Mrs May Ho Yee with her declaration, which disclosed \$5,000 donations to the ALP and CLP. Again, when interviewed, Mr Yee said that Mrs Yee donated \$5,500.00 in total.

Mr Kenrick Cheah

Investigators also interviewed ALP employee Mr Kenrick Cheah, who was at the time the Community Relations Officer for the ALP. Inquiries with the ALP revealed Mr Cheah handed the \$100,000 in cash donations to the ALP accounts clerk for banking.

Mr Cheah informed the investigators that a number of weeks after the Dinner, a Mr Xiangmo Huang attended the office of then-ALP General Secretary Mr Jamie Clements. Mr Cheah stated that at the conclusion of the meeting, Mr Clements handed him a large amount of cash. Mr Cheah counted the cash, confirming the total of \$100,000 (in one hundred dollar notes) to be banked by the ALP and CLP. The \$100,000 was reportedly banked the following day, on Thursday 9 April 2015: \$50,000 into the ALP's state campaign account,

and \$50,000 into the CLP's state campaign account. Mr Cheah would not elaborate further on the money he received from Mr Clements.

Open source enquiries revealed Mr Xiangmo Huang, a Chinese national, is a major political donor in Australian federal politics and, potentially, a property developer for the purposes of the EFEDA, and. If so, Mr Huang is of course prohibited from making political donations in NSW pursuant to the EFED Act.

Offer of Letters of Comfort

The Commission gave consent to investigators to offer Mr Yee and Mr Cheah an inducement to provide further evidence in relation to the subject donations to the ALP and CLP, and the potential involvement of Mr Huang, Mr Clements and others. Investigators made contact with Mr Cheah, providing him with a letter of comfort protecting him from prosecution for offences under the EFED Act should his evidence disclose such offences. Despite this, Mr Cheah declined to provide further information.

Investigators made contact with Mr Yee and offered to provide a letter of comfort protecting him from prosecution for offences under the EFED Act should his evidence disclose such offences. Mr Yee also declined to provide further information.

Any documents, statements or other things in the possession of the Commission that may tend to prove the possible offences or are otherwise relevant to or may assist an investigation of the possible offences

Contained within the file FDC2016/74, *Chinese Friends of Labor file* are records pertaining to the review and investigation carried out by the Commission's investigators. The following records from that file are provided with this referral:

Volume One

1. Memorandum – Investigation Summary
2. Australian Labor Party (NSW Branch) -
 - s. 110A(1)(a)&(b) Notices & Response
3. Country Labor Party
 - s. 110A(1)(a)&(b) Notices & Response
4. Witness – Kenrick Cheah
 - Interview transcript
5. Witness – Maggie Zhang Wang
 - Statement
6. Eight Modern Chinese Restaurant (Venue of Chinese Friends of Labor Function)
 - 110A Notice & Response

Volume Two

7. Donor - Harbour City Group Pty Ltd – To (Stanley) YIP
 - 110A Notice & Response
 - Interview transcript
 - Statement
8. Donor - Steve Tong
 - 110A Notice & Response (NB: Tong provided medical evidence regarding ongoing medical condition. Not further interviewed)
9. Donor – Patricia Sui
 - 110A Notice & Response
10. Donor – Wei Shi
 - 110A Notice & Response
11. Donor – Teresa Tam
 - 110A Notice & Response
 - 110A Notice & Response to HSBC Bank
12. Donor – Lei Mo
 - 110A Notice & Response
13. Donor – Johnnie Lin
 - 110A Notice & Response
14. Donor – Quanbao Liao
 - 110A Notice & Response
 - Interview transcript
15. Donor – Valentine Yee
 - 110A Notice & Response
16. Donor – May Ho Yee
 - 110A Notice & Response
17. Donor – Emperor’s Garden Restaurant Pty Ltd (Yee family business)
 - 110A Notice & Response
18. Donor – Jonathan Yee
 - 110A Notice & Response
 - Interview transcript

The Commission is retaining the following documents from the file;

1. Working papers; and
2. Record of Interview audio discs (transcripts supplied)

The date by which a prosecution for each of the possible offences must be commenced or must have been commence, as the case may be

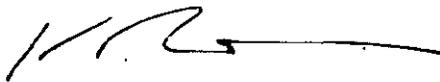
The date by which a prosecution for an offence against ss 96H, 96HA and 96I of the EFED Act is 10 years after the offence was committed. As the donations were allegedly made at the Dinner on 12 March 2015, or in the office of the ALP on 8 April 2015, any prosecution under ss 96HA or 96I must be initiated by 11 March 2025 (taking the earlier of the two dates).

The disclosure declarations of the ALP and CLP were signed by their Party Agent on 2 November 2015, requiring prosecution under s 96HA of the EFED Act to be initiated at the latest on 1 November 2025.

Proceedings with respect to offences committed under s 96HB of the EFED Act are not subject to any limitation period.

Please note that the Commission does not waive legal privilege on material disclosed with this referral and requests that the ICAC contact the Commission should it consider further dissemination or publication of the referral and accompanying material.

Yours sincerely



Hon Keith Mason AC QC
Chairperson
NSW Electoral Commission

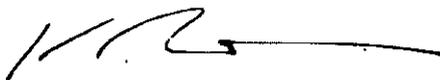
Statement of Reasons

Section 13A(6) of the *Independent Commission Against Corruption Act 1988* (ICAC Act).

At its meeting on 13 December 2017, pursuant to section 13A(2) of the ICAC Act, the NSW Electoral Commission ("the Electoral Commission") determined to refer the conduct of the Australian Labor Party (NSW Branch) ('ALP'), the Country Labor Party (CLP), and individuals acting on behalf of the ALP and CLP to the Independent Commission Against Corruption ("the ICAC") because there are reasonable grounds to suspect that the conduct may involve possible criminal offences to which section 13A of the ICAC Act applies, whether or not the time within which proceedings for the possible criminal offences may be instituted has expired.

In making this determination the Electoral Commission has taken into account:

1. The primary responsibility of the Electoral Commission to investigate and prosecute the possible criminal offences concerned. The Electoral Commission conducted a compliance audit of the 2015 declarations of disclosures lodged by the ALP and CLP and investigated the donations made in relation to the 'Chinese Friends of Labor Dinner'. Investigators conducted several interviews of witnesses, obtained documentary evidence and evidence of certain financial transactions. Whilst the Electoral Commission suspects that the source and/or methods of the donations breached the provisions of the EFED Act there is insufficient evidence to prove possible electoral offences and corrupt conduct. The Electoral Commission is of the view that further evidence may be obtained using the investigative powers available to ICAC.
2. The possible electoral offences are serious offences and involve two registered political parties both eligible for public funding;
3. The current public interest both in New South Wales and elsewhere in the influence of overseas activity on electoral processes.
4. The matter is reasonably complex, involving a large number of witnesses, non-English speaking witnesses, and international business associations;
5. There is no ongoing investigation by the Electoral Commission related to this matter;
6. The Electoral Commission is not aware of any ongoing ICAC investigation that is related to this matter; and
7. No other public authority or official has responsibility or jurisdiction to investigate or prosecute electoral offences.



Hon. Keith Mason AC QC

Chairperson

NSW Electoral Commission

Date: 15 January 2018

COPY

INVESTIGATION

AUSTRALIAN LABOR PARTY ('ALP') & COUNTRY LABOR PARTY ('CLP')

INVESTIGATION REGARDING SUSPECTED PROHIBITED POLITICAL DONATIONS – FDC REPORTING & DISCLOSURE PERIOD 2014/2015

COMPLAINANT: NSW Electoral Commission ('*NSWEC*')

LEGISLATION: *Election Funding, Expenditure and Disclosures Act 1981 ('the Act')*

OFFENCES:

1. Section 96GA – Political donation by prohibited donors unlawful; and
2. Section 96HA(2) – making a donation with the intention of causing the donation to be accepted in contravention of Division 2A [s.95A(1)(a) and s.95B(1) – prohibition on political donations to the benefit of a registered party exceeding the applicable cap]; and
3. Section 96HB(1) - Offences relating to scheme to circumvent the donation or expenditure prohibitions or restrictions.

OFFENCE DATE/S: 12 March 2015 (*and/or*) 9 April 2015

NSWEC REF: FDC 2016/74

INVESTIGATOR: Peter BARAGRY

VOLUME 1:

CONTENTS:

1. Memorandum – Investigation Summary
2. Australian Labor Party (NSW Branch)
3. Country Labor Party
4. Witness – Kenrick Cheah
5. Witness – Maggie Zhang Wang
6. Eight Modern Chinese Restaurant (Venue of Chinese Friends of Labor Function)

MEMORANDUM

TO:	Independent Commission Against Corruption
SUMMARY OF:	Chinese Friends of Labor Investigation
OIC:	Peter Baragry
FILE REF:	FDC2016/74
DATE:	20 December 2017

1. PURPOSE:

Assessment of information with consideration to s. 13A of the Independent Commission Against Corruption Act 1988 regarding the following offences;

- 1.1 **s.96H(2) of the Election Funding, Expenditure and Disclosures Act 1981 (the "Act")** – False Statement in a disclosure;
- 1.2 **s.96HA(2) of the Act** – making a donation with the intention of causing the donation to be accepted in contravention to s.95B(1) – Prohibition on political donations exceeding the applicable cap;
- 1.3 **s.96GBH(1) of the Act** – Offences relating to scheme to circumvent the donation or expenditure prohibitions or restrictions: and
- 1.4 **s.96I of the Act** – Act that is unlawful under Division 96A [s. 96GA - Political donation by prohibited donors unlawful].

2. BACKGROUND:

- 2.1 NSWEC Funding, Disclosure and Compliance (**'FDC'**) conducted a compliance audit upon the disclosures of political donations and electoral expenditure received from the Australian Labor Party, NSW Branch (**'ALP'**) and the Country Labor Party (**'CLP'**) for reporting period year ending 30 June 2015. During the course of this audit, it was observed that one of the fundraising events listed in the disclosure related to a 'Chinese Community Dinner' (ALP) / 'Chinese Friends of Labor' (CLP) held at The Eight Modern Chinese Restaurant, Sydney on 12 March 2015. The total gross revenue generated by the ALP and CLP for this event was \$88,930 and \$50,000 respectively.
- 2.2 Financial records provided by the ALP revealed that the donations totalling \$100,000 (\$50,000 for the ALP and \$50,000 for the CLP) were received in the form of 'cash' and deposited on 9 April 2015 into the respective party's state campaign accounts. Audit also noted that the donations were made almost a month after the fundraising event held on 12 March 2015.
- 2.3 Donations received by a party can be in the form of cash, cheque or credit card payments. A report from the financial records provided by the ALP was generated to identify cash donations

deposited into the party's state campaign account. It reveals that most of the cash deposits (predominantly in ALP State Campaign Account) are less than \$1,000 except for these donations. The major donations made by the Chinese Friends of Labor appear to be exceptions. Although not unlawful, payments for transactions involving large amounts using cash is not a common business practice.

2.4 A review of the donor's profile shows the following relationships:

- Mr Jonathan YEE has direct family / business relationship with Emperor's Garden Pty Ltd, May Ho YEE & Valentine YEE.
- Access to funds (cash) from the restaurant business is possible.
- It was noted that Mr Jonathan YEE has strong ties with the ALP and has political ambitions [e.g. seeking to become Labor candidate as Lord Mayor of Sydney in 2012].

2.5 The current or former occupation of the following donors is waiter/waitress:

- Johnnie LIN;
- Lei MO;
- Patricia SUI;
- Teresa TAY; and
- Wei SHI.

2.6 It appears that these donors have connection with the Emperor's Garden Pty Ltd. or the YEE's family business. Furthermore, given the relatively modest income associated with the waiter/waitress profession (\$35,146 - \$42,265 (*before tax*) – "*Commonwealth Fair Work Ombudsman*"), it is dubious for those persons to be in a financial position to donate a total of \$10,000 to the ALP and the CLP, which would effectively equate to 30% - 35% of their wage after tax. Responses to s. 110A(1)(a) & (b) notices confirmed many of the donors did not have large sums of money to draw from bank accounts. Responses given during interviews and in s. 110A(1)(c) notices by these donors are similar in fact, with regard to obtaining the cash donated through 'Chinese lucky money' or 'red packets' received as gifts or gratuity.

2.7 Audit also noted donations from Mr. Quanbao Liao, who is listed as a Secretary of Wu International Investments Pty Ltd. The major undertaking of the company seems to be related to real estate development. It aims to develop medium-high-end commercial and residential properties around Sydney's CBD and Northern Sydney CBD. I was considered Mr Liao may potentially be a close associate of a prohibited donor pursuant to s96GB(3)(a) through his involvement with the development company Wu International Pty Ltd. ASIC searches confirmed at the date of making the donation to the ALP, Mr Liao was not an officer of the company. Mr Liao was appointed to the position of secretary on 17 February 2016, being eleven months post the donation made through the Chinese Friends of Labor.

2.8 In an interview conducted between NSWEC investigators and Kenrick Cheah, it was revealed property developer Xiangmo Huang delivered the \$100,000 in cash donations collected at the Chinese Friends of Labor Dinner to the then General Secretary of the Labor Party, NSW Branch Jamie Clements. In an interview between Jonathan Yee and NSWEC investigators, Yee stated he was unaware of any money being handed to Jamie Clements by Xiangmo Huang.

2.9 Drawing on the information from Mr Cheah’s interview, a request to offer indemnity from prosecution was sought, and granted, for both Mr Cheah and Jonathan Yee. Both Cheah and Yee declined the offer.

3. INVESTIGATION ANALYSIS:

3.1 The ALP and CLP are both registered as a political party. The individuals named in this report as having donated to the ALP and CLP are enrolled to vote, and therefore entitled to make political donations. In accordance with Division 2A s95A(a) of the Act, the applicable cap on political donations to a registered political party is \$5,000. The following table displays the donations subject to this investigation;

Donor’s Name	Donation to ALP	Donation to CLP	Collected by
Steve Tong		\$5,000	Unknown
Patricia Siu	\$5,000	\$5,000	Jonathan Yee
Wei Shi	\$5,000	\$5,000	Jonathan Yee
Teresa Tam	\$5,000	\$5,000	Possibly Jonathan Yee
Lei Mo	\$5,000	\$5,000	Jonathan Yee
Johnnie Lin	\$5,000	\$5,000	Jonathan Yee
Quanbao Liao		\$5,000	Unknown
Harbour City Group	\$5,000		Jonathan Yee
Valentine Yee	\$5,000		Jonathan Yee
May Ho Yee	\$5,000	\$5,000	Jonathan Yee
Emperor’s Garden	\$5,000	\$5,000	Jonathan Yee
Jonathan Yee	\$5,000	\$5,000	Jonathan Yee

On 14 September, 2016 statutory notices pursuant to s110A(1)(b) of the Act, were issued to the named individuals, and businesses seeking documentary evidence of their financial capacity to make the major political donations as declared. The ALP and CLP were also issued with statutory notices to produce information and documents. Additional information was required from each stakeholder.

Individual analysis of each stakeholder;

3.2 **Steve Tong** donated \$5,000 to CLP. Mr Tong responded to the issued s110A(1)(b) notice prior to the due date, and documents supplied by Mr Tong revealed the following;

- The \$5,000 donated was receipted by CLP. The receipt describes the donation being made to the Chinese Friends of Labor – NSW Labor Chinese Launch.
- A bank passbook for account number [REDACTED] in the name of SK Tong and JP Lau (Retirement Access Plus Cheque Account) shows an entry for a cash withdrawal of \$5,000 on 26 March 2015. The donation to CLP is dated 9 April 2015;

In response to attempts by NSWEC investigators to seek further information, Mr Tong stated he was ill and near death. At the request of NSWEC investigators, Mr Tong supplied medical evidence to support he was suffering with heart, lung, blood and PSA health issues.

Due to the evidence provided by Mr Tong showing a withdrawal of \$5,000 cash from his bank account fourteen days prior to the dated receipt from CLP, in consultation with Director Bergeron, a decision was made not to pursue Mr Tong for additional information.

Mr Tong failed to lodge his disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. On 25 August, 2016 a compliance case was finalised in relation to Mr Tong's failure to lodge, resulting in a Caution being issued on 25 August, 2016. A lodged disclosure was received at the NSWEC on 30 August, 2016.

Records retained by the NSWEC show Steve Tong has made one major political donation, that being the donation subject to this investigation.

3.3 **Teresa K Y Tam** donated \$5,000 to the ALP, and \$5,000 to the CLP, and responded to her s110A(1)(b) notice prior to the due date. The following documents were supplied by Ms Tam;

- HSBC bank statement dated 3 February 2015 to 1 May 2015;
- ALP Tax Invoice No. 00040912 - dated 9/4/2015;
- CLP Tax Invoice No.00040922 – dated 9/4/2015;
- Covering letter.

In a covering letter attached to her response, Ms Tam explained her donations to the ALP and CLP were for her 'good friend' The Hon. Ernest Wong MLC, who was on the Labor ticket for the Upper House. Ms Tam states the donations were made on behalf of herself and her husband Ming Bin Tam.

Examination of Ms Tam's HSBC bank statement shows a \$5,000 cash deposit into her account on 24 April 2015 HSBC, and further \$10,000 cheque being deposited on 28 April, 2015. A statutory notice pursuant to s110A(1)(a) and (b) of the Act was issued to HSBC bank, and confirmed the origin of these transactions. The cash deposit dated 24 April 2015 was done in person by Ms Tam at the HSBC Haymarket branch. The bank cheque of \$10,000 was a personal cheque and the funds were drawn from the account Kin Chi Steven Leung.

Ms Tam was contacted and agreed to meet with investigators at the office of the NSWEC to be interviewed. On 23 March, 2017 Ms Tam attended the office of NSWEDC, a Cantonese interpreter was arranged and also in attendance. Ms Tam declined to be interviewed however supplied the following information;

- She and her husband gave \$5,000 to Jonathan Yee in March 2015 to support the Hon. Ernst Wong MLC and the ALP.
- A few days later Jonathan Yee asked for more support. Ms Tam stated she and her husband didn't know where the money was going however made the donation, she just wanted to support Ernest Wong.
- The money came from cash Ms Tam saved over time. Ms Tam claimed to often receiving cash and money transfers from her children. The bank statement provided in response to the 110A supports this assertion with two \$3,000 deposits from her daughter Tam Tracy Tsui Yee.
- The cash deposits of \$5,000 dated 24 April 2015, and bank cheque of \$10,000 dated 28 April 2015, were proceeds of money she was expecting from her brother Kin Chi Steven Leung.

Ms Tam failed to lodge her disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 21 March 2016. A warning letter for failing to lodge a disclosure was issued to Ms Tam 25 August 2016.

Records retained by the NSWEC show Teresa Tam has made one major political donation, that being the donation subject to this investigation.

3.4 **Wei Shi** donated \$5,000 to the ALP, and \$5,000 to the CLP, and responded to a s110A(1)(b) notice prior to the due date. The following documents were supplied by Mr Wei Shi;

- Taxation assessment for the year ended 30 June 2015;
- 2014/2015 group certificate (Wilson Parking Australia);
- 2014/2015 group certificate (Emperor's Garden Restaurant);
- Commonwealth Bank Statement for account in the name of Mr W Shi. Dated between 2 October 2015 and 1 April 2016;
- (Country) ALP Tax Invoice No. 00040927;
- ALP Tax Invoice No. 00040917.

It was noted the bank statement provided by Mr Wei Shi in the first instance, was for a time frame after the required period. Mr Shi responded to an email, and supplied the requisite bank statements.

Further information was sought from Mr Shi, and a s110A(1)(c) notice was issued on 29 March, 2017. Mr Shi was late with his response, however on 26 April 2017, however he provided a letter with his response stating he was overseas when the notice was issued to him. Mr Shi answered questions in accordance with the statutory notice issued pursuant to s110A(1)(c), as soon as practicable.

The additional information revealed Mr Shi's income as being \$51,470 per annum, and in addition he receives rental income from two properties totalling \$64,939. By virtue of his earning capacity, Mr Shi has the financial capability to make donations totalling \$10,000.

Mr Shi informed the NSWEC he paid the donation in cash from money he saved at home. The majority of the money came from a part time business Mr Shi has, exporting Australian wine to China for friends. Occasionally Mr Shi is paid for this business by direct debit, however other times he is paid in cash. He further states he keeps sums of cash available, and currently has in excess of \$5,000 at home.

An ASIC search of Mr Wei Shi revealed a number of Individual/sole traders of the same name. An individual, or sole trader is not a corporation or close associate of a corporation involved in the manufacture, or sale of liquor in accordance with s96Gb(2B)(a)(i) of the Act.

Mr Shi is not a member of either the ALP or CLP, but was asked by Jonathan Yee for support on this occasion. Mr Shi states he was happy to donate to help his friends Ernest Wong MLC and Jonathan Yee. Mr Shi states he handed over all the cash to Jonathan Yee on the evening of the dinner at the Eight Modern Chinese Restaurant.

Mr Wei Shi failed to lodge his disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 29 February 2016. A warning letter for failing to lodge a disclosure was issued to Mr Shi on 25 August, 2016.

Records retained by the NSWEC show Mr Wei Shi has made one major political donation, that being the donation subject to this investigation.

3.5 Patricia G SIU donated \$5,000 to the ALP, and \$5,000 to the CLP, and responded to a s110A(1)(b) notice prior to the due date. The following documents were supplied by Ms Siu;

- 2015 group certificate (Emperor's Garden Restaurant);
- Tax Receipt dated 22 September 2014;
- A number of HSBC bank statements dated from 3 September 2014 to 1 May 2015;
- (Country) ALP Tax Invoice No. 00040921;
- ALP Tax Invoice No. 00040911;
- A signed covering letter.

In the covering letter Ms Siu provided the NSWEC, it is stated the money donated by her to the ALP and CLP was her own money. It was given in support of Mr Ernest Wong MLC. Ms Siu claims the majority of the donation was money left over from a \$5,000 cash withdrawal she made in September 2014, as well as cash she received in tips, and gifts. The bank statement provided by Ms Siu supports a cash withdrawal of \$5,000.

Further information was sought from Ms Siu pursuant to s110A(1)(c) of the Act. A notice was issued on 4 May, 2017. In a response dated 14 May, 2017 Ms Siu asserts Jonathan Yee asked for her donation sometime in February 2015. The money was handed to Jonathan Yee in \$100 notes.

Ms Siu states the withdrawal of \$5,000 cash from her HSBC account in September 2014 was initially for a holiday with family. Ms Siu claims most of her travelling expenses were picked up by family. She states the withdrawn money was kept in her room at home.

Ms Siu claims to have saved the remainder of the donations over a period of time from tips received at work, and Chinese 'lucky' money given to her as gifts. Ms Siu states she has a couple thousand dollars in her room at present.

Ms Siu is not a member of either ALP or the CLP, and donated on this occasion as she was asked by Jonathan Yee.

Ms Patricia Siu failed to lodge her disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 5 February 2016. A warning letter for failing to lodge a disclosure was issued to Ms Siu on 25 August, 2016.

Records retained by the NSWEC show Patricia Siu has made one major political donation, that being the donation subject to this investigation.

3.6 **Lei MO** donated \$5,000 to the ALP, and \$5,000 to the CLP, and responded to a s110A(1)(b) notice prior to the due date. The following documents were supplied by Mr Mo;

- 2015 Notice of Tax Assessment;
- Home loans Ltd bank account – Line of Credit statement between 1 January 2015 – 12 June 2015;
- Receipt from NSW Labor (dated 6/9/15) regarding donations to ALP (Receipt No. 40913) and CLP (Receipt No. 40923)

Further information was requested from Mr Mo pursuant to s110A(1)(c) of the Act. A statutory notice was issued on 5 June 2017, and was responded to on 14 June 2017.

Mr Mo states the two \$5,000 donations he made in 2015, one to the ALP, and the other to CLP, was his own money. He handed Mr Jonathan Yee the donations, which was made up of \$100 notes. Mr Mo claims it took six months to save the cash, which he received in tips at work, personal savings, and Chinese New year Lucky red packet.

Mr Mo states in his response, that he did not attend the Chinese Friends of Labor dinner, and has never previously donated to any political party. He was asked to give support by Jonathan Yee and Ernest Wong.

Mr Lei Mo lodged 'Nil' disclosure on 8 September 2015, however the disclosure was deemed invalid. On 8 October, 2015 Mr Mo lodged a valid disclosure.

Records retained by the NSWEC show Mr Mo has made one major political donation, that being the donation subject to this investigation.

3.7 **Johnnie Chiwah LIN** donated \$5,000 to the ALP, and \$5,000 to the CLP, and responded to a s110A(1)(b) notice prior to the due date. The following documents were supplied by Mr Lin;

- (Country) ALP Tax Invoice No. 00040908;
- ALP Tax Invoice No. 00040929;
- 2015 Tax assessment;
- NAB bank statements in the name of Mr & Mrs J Lin, dated 16 January 2015 to 15 January 2016;
- Covering letter of explanation.

Mr Lin's tax assessment shows an income of \$14,463. The bank statement transactions provided by Mr Lin show nothing of interest, other than the minimal funds held in the account offering a strong indication that Mr Lin is not in a financial position to make major political donations.

In his attached covering letter of explanation, Mr Lin attempted to clarify where he was able to obtain the money to make the donations. Lin states that he has a weekly practice of saving \$100 for safe keeping and unfortunate times. Mr Lin also cites the Chinese family tradition of his children taking care of their parents by giving them cash.

In the covering letter, Mr Lin claims that over the years he was to save the money he donated to the ALP and CLP for 2015 State Election. He claims to have chosen to donate to the ALP to support our Chinese candidate Ernest Wong, and would personally provide extra support to a Chinese running for a position in politics if his financial position permits.

Further information was requested from Mr Lin pursuant to s110A(1)(c) of the Act. The statutory notice was issued on 4 May 2017, in which Mr Lin was asked a number of clarification questions.

Mr Lin clarified that he received 'lucky money' from customers. In addition to the 'lucky money' Mr Lin receives 'red pockets' during customer celebrations parties, such as; weddings, milestone birthdays. "Red pocket" money can range from \$20 to \$100. It took Mr Lin about a year to save the money he donated to the ALP and the CLP.

Mr Lin is not a member of either the ALP or CLP, and donated because Jonathan Yee asked him. Mr Lin was happy to oblige to support Jonathan Yee, and Ernest Wong. The donation was handed to Jonathan Yee.

Mr Lin failed to lodge his disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 15 February 2016. A warning letter for failing to lodge a disclosure was issued to Mr Lin on 25 August, 2016.

Records retained by the NSWEC show Johnnie Lin has made one major political donation, that being the donation subject to this investigation.

- 3.8 **Quanbao Liao** donated \$5,000 to the CLP. Initial enquiries relating to Mr Liao indicated he may be a prohibited donor pursuant to s96GB(3)(a) through his involvement with the development company Wu International Pty Ltd. ASIC searches confirmed at the date of making the donation to the ALP, Mr Liao was not an officer of the company. His appointment date to the position of secretary was 17 February 2016.

On 22 February 2017, a statutory notice pursuant to s110A(1)(b) was issued to Mr Liao seeking financial documents to show his capacity to make a major political donation, and any records pertaining to the donation made to the ALP. The following documents made up Mr Liao's response;

- Copy of CBA bank statements in the name of Quanbao Liao;
- Copy tax invoice No. 00040920;

Mr Liao's bank statement provides evidence he maintains some savings, and he does have the financial capacity to make a major political donation.

On 28 March, 2017 Mr Liao voluntarily attended the office of NSWEC to provide a statement. The statement was conducted by way of electronic interview.

During the interview, Mr Liao expressed his faith in Buddhism. He asserts whilst visiting a Temple in Youmin, China he made two wishes; firstly, his daughter would give him a grandchild, and secondly his poor health would improve. In exchange for the two wishes, Mr Liao promised to donate money to people for doing good things. Mr Liao stated both wishes were granted.

Liao informed he decided to donate to the ALP because of the support he received from the Labor Party at the time of the Tiananmen Square massacre, and he was made an Australian resident during a Labor Party Term of Government. He also knows The Hon. Ernest Wong MLC.

Mr Liao states the money he donated to the ALP came from cash he withdrew from his bank account over a period of time prior to the Chinese Friends of Labor dinner. The bank statement provided by Mr Liao reveals large cash withdrawals are a constant.

Mr Liao could not recall what the denomination of the cash was, nor could he recall who he gave the money to.

Part A of Mr Liao's disclosure declares the donation is for, 'Labor, Chinese Friends of Labor'. Mr Liao has written the names of Federal and State ALP politicians on the disclosure. Upon

examination of Mr Liao's disclosure, it appears his donation was to the ALP, however it is noted the tax invoice issued to Mr Liao for this donation came from the CLP.

Mr Liao failed to lodge his disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 8 September 2016. On 25 August, 2016 a Caution was issued to Mr Liao for failing to lodge a disclosure of political donation.

Records on hand at the NSWEC indicate Mr Liao has not made any other major political donations.

3.9 Valentine Yee donated \$5,000 to the ALP. On 22 February, 2017 Mr Valentine Yee was issued with a 110A(1)(b) notice, and provided the following documents;

- ANZ E* Trade Cash Investment Account Statement dated 24 Dec, 2014 to 26 June 2015;
- ANZ Progress Saver Account Statement dated 2 January 2015 to 3 July 2015;
- ANZ Online Saver Statement dated 19 September 2014 to 18 September 2015;
- ANZ Access Select Cheque Statement dated 19 January 2015 to 17 July 2015;
- ALP tax receipt No. 00040914.

The documents provided by Valentine Yee indicate he has the financial capacity to make a major political donation.

In a response to a s110A(1)(c) notice to provide information relating to his \$5,000 donation to the ALP, Valentine Yee states the donation was his own money he received from lucky money packets given to him by family and friends. Valentine Yee claims it took him a month to save the cash.

Valentine Yee handed \$5,000 cash to Jonathan Yee in \$100 notes. He states the money was donated in support of the ALP's 2015 State Election Campaign because Jonathan Yee, and Ernest Wong were part of the campaign team.

Valentine Yee stated he is not a member of the ALP but has made minor political donations in the past. He was asked to donate on this occasion by Jonathan Yee and Mr Ernest Wong.

Valentine Yee's declaration of political donation was correctly lodged prior to the due date.

3.10 May Ho Yee donated \$5,000 to the ALP, and \$5,000 to CLP. On 22 February, 2017 Ms May Ho Yee was issued with a 110A(1)(b) notice, and provided the following documents;

- CBA Cash Management Call Account dated 19 September 2014 to 18 September 2015;
- ALP tax receipt No. 00040918;
- ALP tax receipt No. 00040928 (paid to CLP).

The documents provided by May Ho Yee indicate she has the financial capacity to make a major political donation.

May Ho Yee's response to the issued 110A(1)(c) notice was strikingly similar to that of Valentine Yee. Ms Yee provided information relating to her \$5,000 donation to the ALP, and \$5,000 donation to CLP, stating the donation was her own money she received from lucky money packets given to her by family and friends. May Ho Yee claims it took her a month to save the cash.

May Ho Yee states she handed \$10,000 cash to Jonathan Yee in \$100 notes. She states the money was donated in support of the ALP's 2015 State Election Campaign because Jonathan Yee, and Ernest Wong were part of the campaign team.

In a subsequent interview with Jonathan Yee, he contradicts Mrs Yee's version. Jonathan Yee stated Mrs Yee donated \$5,000 to CLP and paid \$500 for a seat at the Chinese Friends of Labor function. The remaining \$4,500 came from unknown donors who paid \$500 each for a seat at a premium table. He also stated the money was placed in envelopes, which he did not collect.

May Ho Yee stated she is not a member of the ALP or CLP, however she has made minor political donations in the past. She was asked to donate on this occasion by Jonathan Yee and Mr Ernest Wong.

May Ho Yee failed to lodge her disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 26 August 2016. A Caution for failing to lodge a disclosure was issued to Ms May Ho Yee on 25 August, 2016.

3.11 Harbour City Group Pty Ltd donated \$5,000 to the ALP. On 22 February, 2017 investigators attended Harbour City Group to personally serve the Proper Officer with a s110A(1)(b) notice. The notice was served on Mr To Yip, who is an owner and director of the business.

Harbour City Group Pty Ltd, is a souvenir retail business located in Dixon Street, Haymarket. Mr Yip responded to the statutory notice, delivering the requested documents personally, and volunteered to being interviewed. The following documents were provided by Mr Yip;

- ANZ Bank statement in the name of To Yip and Ms Hung-Ying Chen, dated between 29 January 2015 and 15 May 2015;
- ALP Tax Receipt No. 00040910 for the sum of \$5,000;
- Covering letter of explanation.

The bank statement provided by Mr Yip confirms he has the financial capacity to donate \$5,000. A number of large transactions are noted, with statement balances varying from as little as \$1,500 (approx.) to in excess of \$276,000 (approx.)

In an extract from the covering letter provided by Mr Yip, he states;

"Thank you for your notice. Attached are the documents you have requested. I just want to brief you that the donation was a purchase of a \$5,000 table for the 2015 Chinese Friends of Labor dinner. The table consisted of 10 guests including myself who paid \$500 each. I had reserved

the table under my company name in support of Jonathan Yee who asked me to support this event. I also filled in a form saying I had made a donation of \$5,000 because the table was reserved in my company name. I wasn't aware every paying guest needed to fill in a form to truly represent who was paying guest. I apologise for my ignorance."

As a result of the information provided, a recorded statement was taken from Mr Yip. During the making of the statement Mr Yip informed investigators he was not a member of the ALP, however was asked to support to the ALP by Mr Jonathan Yee. Mr Yee's restaurant, The Emperor's Garden is located next door to Mr Yip's souvenir shop in Dixon Street, Haymarket.

Jonathan Yee invited Mr Yip to a fund raising dinner at The Eight Modern Chinese Restaurant on 12 March 2015, and stated he paid Jonathan Yee \$500 for a seat at a table. Mr Yip wanted to support his friend Jonathan Yee who he believed was standing on the ALP ticket for the 2015 Local Government Election.

Mr Yip appeared vague when questioned regarding the actual event, however recalled the money was handed to Mr Yee prior to the dinner, in cash. Yip could not recall the denomination of the notes making up the \$500 payment. Yip claimed he was at the Chinese Friends of Labor dinner for no longer than thirty minutes, didn't partake in a meal, but may have consumed one drink. Mr Yip didn't know any of the people seated at the table he was assigned, and couldn't inform investigators how much these people paid for their tickets.

Mr Yip states Jonathan Yee handed him a tax receipt a number of days after the event. The tax receipt was for \$5,000. Yip asserts that Yee explained all tax receipts were handed out per table, and the table at which Yip was seated had been booked under his business name, Harbour City Group Pty Ltd. Mr Yip informed NSWEC investigators he did not book a table, and was adamant in stating he just gave five hundred dollars for his own seat. Furthermore, Mr Yip made it clear the \$5,000 tax receipt was not claimed on either his personal, or business tax return.

Mr Yip explained Jonathan Yee assisted him with completing a disclosure after he received a warning letter from the Commission. Mr Yip informed investigators the handwriting on the submitted disclosure was his own, however the information type printed was pre-existing when he was handed the disclosure by Jonathan Yee. Inquires with NSWEC Client Services confirm that prior to forwarding blank disclosure forms to stakeholders, the dates are printed on page one of the disclosure. No other information is included. Mr Yip is of the belief Mr Yee typed the information on Part A of the disclosure form

Pursuant to s96H(2)(a) of the Act, it is an offence to make a statement in a declaration or disclosure that is known to be false, or that the person does not reasonable believe to be true. Mr Yip made admissions during the recorded statement that he signed the declaration knowing he had only donated \$500, and not \$5,000 as declared in his disclosure. Mr Yip was not cautioned prior to making these admissions. From the evidence supplied by Mr Yip, Jonathan Yee completed Part A of the disclosure, and convinced Yip the total of \$5,000 declared in the disclosure was due to a full table being booked in his Company's name.

Mr Yip failed to lodge his disclosure of political donations for a Major Political Donor for the year ending 30 June 2015 by its due date. A lodged disclosure was received at the NSWEC on 8 September 2016. A Caution for failing to lodge a disclosure was issued to Mr Yip on 25 August, 2016.

Records retained by the NSWEC indicate neither Harbour City Group Pty Ltd, nor its director To Yip have made any other major political donation.

3.12 **Emperor's Garden Pty Ltd** donated \$5,000 to the ALP, and \$5,000 to the CLP. On 22 February, 2017 Emperor's Garden Pty Ltd was issued with a 110A(1)(b) notice, and Jonathan Yee provided the following documents in response;

- ANZ Business Classic Bank Statements dated from 30 January 2015 to 31 April 2015;
- ALP tax receipt No. 00040926 (Transferred to CLP);
- ALP tax receipt No. 00040916.

The response completed by Jonathan YEE shows Emperor's Garden Pty Ltd has the financial capacity to make major political donations.

To satisfy s96GB(2B)(i) of the Act, the main business undertaking of a corporation must be the manufacture, or sale of alcohol. Whilst Emperor's Garden Pty Ltd is licenced to sell alcohol, its primary business is the preparation, and service of food.

The Emperor's Garden Pty Ltd lodged their 2015 disclosure after the due date. On 25 August, 2016 the NSWEC issued Emperor's Garden Pty Ltd with a warning regarding the late lodgement of their disclosure of a major political donation.

3.13 **Jonathan Yee** donated \$5,000 to the ALP, and \$5,000 to the CLP. On 22 February, 2017 Jonathan Yee was issued with a 110A(1)(b) notice. In response Mr Yee provided the following documents in response;

- ANZ Bank statement in the name of J Yee, dated 7 January 2015 to 7 July 2015;
- Labor Party tax receipt No. 00040915;
- Labor Party tax receipt No. 00040925 (transferred to CLP);
- Letter of explanation.

Mr Yee's bank statement revealed nothing of note. However Mr Yee makes admission in his letter of explanation that the \$5,000 donation made to the ALP was for the purchase of a premium table of ten seats at the Chinese Friends of Labor Dinner. Mr Yee states his guests, who are his friends, paid \$500 each. Names can be provided. The donation was made in cash because he was handed cash on the night.

Mr Yee states the \$5,000 donation to the CLP was a personal donation to the Australian Labor Party in support of the Hon. Ernest Wong MLC. Mr Wong is a personal friend, and mentor of Mr Yee's. This donation was also made in cash.

Jonathan Yee was interviewed at the NSWEC Queens Square office on Friday 23 June 2017. The following is a synopsis of that interview;

Jonathan Yee is the Chairman of the Chinese Friends of Labor, and was part of the committee for the Chinese Friends of Labor Dinner. Jonathan Yee collected a number of donations from people he touted for support on behalf of the ALP. The following is a list of donors who handed Jonathan Yee donations. Both Yee and the donors corroborate the collection of their donations;

- Patricia Siu
- Wei Shi
- Lei Mo
- Johnnie Lin
- Harbour City Group (To Yip)
- Valentine Yee
- May Ho Yee

Jonathan Yee admitted he failed to record the name of individuals as they handed him donations, nor was there any form of accounting ledger kept by him other than to say he knew who handed him money. Jonathan Yee could not offer an explanation as to how the ALP, and CLP distinguished the donations received from certain individuals.

Other donations were being collected by the ALP on the night of the function. An envelope was left on each table for those seated at the table to place their \$500 ticket cost inside. No record was kept as to who paid money into the envelopes. During the night these envelopes were also collected by someone from the ALP. Mr Yee couldn't confirm who collected the money, and where it was kept post function prior to being conveyed to the ALP. Mr Yee could not state with any certainty if any names were recorded on the table envelopes.

Mr Yee was shown copies of invitations sent to the following donors;

- May Ho Yee – Attended
- Wei Shi
- Emperor's Garden (Yee Family) – Attended
- Jonathan Yee – Attended
- Valentine Yee – Attended
- Lei Mo
- Teresa Tam
- Patricia Siu
- Harbour City Group (To Yip) – Attended
- Johnnie Lin

The invitations are headed: Chinese Friend of Labor Presents NSW Labor Chinese Launch. A reservation form is attached to the invitation, which has been signed by individuals (Refer to above list). Jonathan Yee identified a number of the signatures as being the person purported

on the form. Interestingly, many of the invitees did not attend the function. Yee confirmed the launch was for the ALP 2015 state election campaign.

All the stated invitations were for VVIP tables at a cost of \$5,000. The amount of \$5,000 recorded on each invitation was written in the same handwriting (not an expert's opinion).

During his interview, Jonathan Yee admitted to making one \$5,000 donation, and a \$500 payment for a seat at a table. He further stated all the money was going to the ALP. When he received two receipts from the ALP, one transferring \$5,000 to the CLP and another for \$5,000 to the ALP. He didn't raise the issue of overstating his contribution to the ALP.

Jonathan Yee included the two, \$5,000 donations on his disclosure as he thought the ALP was only required to receipt one person per table, as it would be too difficult to account for every person purchasing a seat. Furthermore, at the time of the event Jonathan Yee wasn't aware there was a statutory cap of \$5,000 to registered political parties. The disclosure lodged by Jonathan Yee included \$4,500 he did not donate.

Similarly, Jonathan Yee admitted to assisting his mother May Ho Yee with her declaration and disclosing \$5,000 donations to the ALP and CLP. He confirmed May Ho Yee gave a \$5,000 donation, and paid an additional \$500 dollars for a seat at the Chinese Friends of Labor Dinner. The disclosure lodged by May Ho Yee included \$4,500 not donated by her.

Proprietor of Harbour City Group Pty Ltd, To Yip states Jonathan Yee assisted him in completing his 2015 disclosure to the NSWEC. Yee confirmed this assistance. Whilst Mr Yip stated he only gave \$500 for a seat at the Chinese Friends of Labor Dinner, Jonathan Yee insisted Yip donated an additional \$5,000. There is \$4,500 disclosed that is not accounted.

Jonathan Yee lodged his 2015 disclosure of political donation after the due date. The NSWEC commenced a compliance case regarding the late disclosure, resulting in a warning being issued to Mr Yee on 25 August, 2016.

On 20 October 2017, investigators met with Jonathan Yee to discuss the possibility of an offer of indemnity to him from prosecution if he was able to provide a truthful and frank statement regarding \$100,000 cash being handed to Jamie Clements by Xiangmo Huang. At the meeting Mr Yee was informed any such indemnity from prosecution would also be dependent upon him giving truthful and frank testimony in any proceeding if he was required to do so. Mr Yee reiterated the information he provided during his record of interview, citing he doesn't have any knowledge of the Clements/Huang money exchange. He appeared to be genuine in his response.

3.14 Kenrick Cheah

During the analysis of the investigation information received from the Labor Party confirm Mr Kenrick Cheah handed to the Labor Party, the \$100,000 donations gathered at the Chinese Friends of Labor Dinner.

The Labor Party state Mr Cheah is a member, and was in attendance at the Chinese Friends of Labor Dinner. A s110A(1)(d) was issued to Mr Cheah who attended the office of the NSWEC (Queens Square) on Thursday 22 June 2017 to give a statement regarding this investigation. His statement was electronically recorded in the presence of his solicitor, Sarah Butler from Holding Redlich Lawyers.

Cheah states he attended the Chinese Friends of Labor Dinner on 12 March 2015. In part this is later corroborated by Yee, as is a number of attendees and dignitaries. Cheah could not inform investigators how the donations were collected for the event.

Cheah states that sometime after the event, days possibly weeks, he was at the office of former ALP General Secretary Jamie Clements when Xiangmo Huang attended to speak with Clements. Cheah appeared a little dismayed that Huang would not speak with him, although cited Chinese tradition in that as he was not a person of influence, Huang would not discuss business.

Immediately after Huang left Clements' office, Clements handed Cheah the money purportedly from the Chinese Friends of Labor Dinner. Cheah couldn't describe how the cash was being carried. It is claimed by Cheah the money was brought to Clements' office by Huang. Huang is a known property developer, and has recently been named in television, and other media regarding large donations to political parties for the purpose of federal campaigns.

Cheah was evasive when questioned regarding the chain of custody of the donations, during and post the event.

Mr Cheah was formally offered immunity from prosecution by the NSW Electoral Commission, however declined to be further interviewed in relation to this matter.

3.15 Australian Labor Party, NSW Branch (ALP)

The ALP was issued with s110A(1)(a) & (b) notices to provide information and documents. Information provided by ALP Governance Director Julie Sibraa states the following;

- The money was handed to the ALP by Kenrick Cheah. Cheah is an employee of the ALP who attended the Chinese Friends of Labor dinner;
- The donations handed to the ALP by Cheah was in cash;
- No formal receipt was issued to Cheah for the donations he handed to the ALP;
- A list of names and addresses of persons donating was supplied by Cheah;
- Accounts Clerk Jenny Zhao deposited the cash donation into the ALP NSW State Campaign Account.

The s110A(1)(b) response by the ALP included the following documents;

- Deposit slip;
- Copy of banks statement showing \$50,000 cash deposit;
- Copies of donation reservations, and tax invoices of the following;
 - May Ho Yee



- Wei Shi
- Emperor's Garden
- Jonathan Yee
- Lei Mo
- Teresa Tam
- Patricia Siu
- Johnnie Lin
- Valentine Yee
- Harbour City Group Pty Ltd

The ALP did not issue a receipt to Kenrick Cheah.

On 10 August 2017, the ALP were issued further notices pursuant to s. 110A(1)(a)&(b) requesting information and documents regarding a total of \$19,620 of small donations received as a result of the 12 March 2015 Chinese Friends of Labor function. No anomalies were detected.

3.16 Country Labor Party (CLP)

The CLP was issued with s110A(1)(a) & (b) notices to provide information and documents. Information provided by ALP Governance Director Julia Sibraa states the following;

- The money was handed to the ALP by Kenrick Cheah. Cheah is an employee of the ALP who attended the Chinese Friends of Labor dinner;
- The donations handed to the ALP by Cheah was in cash;
- No formal receipt was issued to Cheah for the donations he handed to the ALP;
- A list of names and addresses of persons donating was supplied by Cheah;
- Accounts Clerk Jenny Zhao deposited the cash donation into the ALP NSW State Campaign Account.

The s110A(1)(b) response for the CLP included the following documents;

- Deposit slip;
- Copy of banks statement showing \$50,000 cash deposit;
- Copies of donation reservations, and tax invoices to the following persons;
 - May Ho Yee
 - Wei Shi
 - Emperor's Garden
 - Jonathan Yee
 - Lei Mo
 - Teresa Tam
 - Patricia Siu
 - Johnnie Lin
 - Quanbao Liao
 - Steve Tong

The CLP did not issue a receipt to Kenrick Cheah.

Eight Modern Chinese Restaurant

- 3.17 The Eight Modern Chinese Restaurant was issued with s.110A(1)(a)&(b) notices seeking information and documents pertaining the Chinese Friends of Labor function held on 12 March 2015. Included in the response was confirmation that the total cost for catering amounted to \$34,708.90. Documents received in response confirm catering was arranged for 600 guests.

Maggie Wang

- 3.18 At the time of this function, Maggie Wang was the Financial Controller of the ALP. Ms Wang was issued a s.110A(1)(d) notice, and a statement was obtained. Ms Wang confirmed her position as Financial Controller at the time, however was on annual leave at the time it was alleged by Kenrick Cheah the \$100,000 was delivered to the office of the ALP. In her absence, Jenny Zhao assumed the role of Financial Controller.

Jenny Zhao

- 3.19 It was ascertained Jenny Zhao banked the \$100,000 cash subject to this investigation. Ms Zhao was interviewed by investigators, however provided no further insight into the origin of the \$100,000 cash donation. Ms Zhao could not recall the detail, citing it occurred too long ago.

4. RECOMMENDATION:

- 4.1 This matter is referred to the Independent Commission Against Corruption (ICAC) for information and potential further investigation.

Peter Baragry
Investigator
Funding, Disclosure & Compliance
NSW Electoral Commission
20 December 2017