

Monday 28 February 2022

## Investigation into political donations facilitated by Chinese Friends of Labor in 2015

### ICAC FINDINGS

The ICAC found that Ernest Wong engaged in serious corrupt conduct by using the privileges to which he was entitled as a member of the Legislative Council: between about February 2015 and at least September 2018, in the course of carrying out a scheme for the purpose of circumventing the requirement of the *Election Funding, Expenditure and Disclosures Act 1981* (the EFED Act) to the effect that the true source of a “reportable political donation” received or made must be disclosed to the NSW Electoral Commission (NSWEC); on 17 September 2018, at a meeting with Steve Tong in Mr Wong’s Parliament House office, during the course of which Mr Wong attempted to procure Mr Tong to give false testimony to such investigative authorities as may make enquiries of him in relation to the question of whether he had made a donation in connection with the Chinese Friends of Labor dinner held on 12 March 2015.

### ICAC RECOMMENDATIONS

The Commission seeks the advice of the Director of Public Prosecutions (DPP) on whether any prosecution should be commenced. The DPP determines whether any criminal charges can be laid, and conducts all prosecutions. The Commission is of the opinion that consideration should be given to obtaining the advice of the DPP with respect to the prosecution of Mr Wong, Huang Xiangmo, Jonathan Yee, Kenrick Cheah, Valentine Yee, May Ho Yee, Emperor’s Garden Pty Ltd, Lei Mo, Patricia Siu, Teresa Tam, Ming Tam, Wei Shi, Johnnie Lin, To Yip, Harbour City Group Pty Ltd, Mr Tong, Alex Wood and Maggie Wang for various offences (see report summary chapter).

### POLICY RECOMMENDATIONS

The Commission has made seven recommendations (see report summary chapter) to assist the NSW Government to strengthen the laws, policies and procedures concerning political donations in NSW, with particular focus on: cash donations; the governance arrangements of registered political parties; penalties and sanctions that failed to act as an effective deterrent against non-compliance with electoral funding laws; and public statements regarding the NSWEC’s compliance activities.

### BACKGROUND

Section 13A of the *Independent Commission Against Corruption Act 1988* gives the Commission the function of investigating certain matters referred to it by the NSWEC, including conduct which may involve possible criminal offences under electoral funding legislation. Conduct may be referred to the Commission by the NSWEC under s 13A of the ICAC Act whether or not it involves corrupt conduct.

Pursuant to s 13A(2) of the ICAC Act, on 15 January 2018, the Hon Keith Mason AC QC, Chairperson of the NSWEC, referred to the Commission for investigation certain conduct of the NSW branch of the Australian Labor Party (NSW Labor), Country Labor and individuals acting on their behalf. This referred conduct concerned \$100,000 cash in political donations received by NSW Labor and Country Labor in connection with a fundraising event held in the lead up to the NSW State Election on 28 March 2015. The fundraising event was a dinner hosted by a group called Chinese Friends of Labor (CFOL) at The Eight Modern Chinese Restaurant in Haymarket on 12 March 2015 (“the 2015 CFOL dinner”). In accordance with s 13A(6) of the ICAC Act, the NSWEC provided the Commission with a statement of reasons as to why it referred the matter to the Commission for investigation. The statement noted the complexity of the matter, the serious nature of the possible offences involved and the public interest in uncovering possible foreign influence in NSW electoral processes. On 24 January 2018, the Commission determined to conduct a preliminary investigation into the referred conduct, and then determined on 7 June 2018 that it would carry out a full investigation. This led to a public inquiry over 37 hearing days from 26 August to 12 December 2019. Chief Commissioner the Hon Peter Hall QC presided at the public inquiry, at which evidence was taken from 27 witnesses.