

Huawei Executive Gets New Bail Term: Staying in a \$16 Million Home

By **Dan Bilefsky**

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A Canadian judge on Wednesday altered the bail terms of a Chinese tech executive facing possible extradition to the United States on fraud charges, granting her lawyers' request that she be allowed to move from a \$6 million, six-bedroom house in Vancouver to a \$16 million, seven-bedroom mansion in the city's exclusive Shaughnessy neighborhood.

Lawyers for the executive, Meng Wanzhou, the chief financial officer of the Chinese tech giant Huawei, requested the change at a hearing before the Supreme Court of British Columbia. The courtroom was filled to capacity, a reflection of the intense interest in the case since Ms. Meng was arrested in December by Canadian officials in Vancouver.

Her arrest put Canada in the center of a diplomatic struggle between China and the United States, which sought her arrest and is seeking her extradition. The United States has since accused Ms. Meng of, among other things, fraudulently deceiving four banks to enable Huawei to evade American sanctions against Iran.

Ms. Meng's arrest has also created a rift between China and Canada. China has detained — in retaliation, some say — two Canadians and accused them of espionage, and it has sentenced two other Canadians to death on drug-related accusations.

At Ms. Meng's hearing, defense lawyers presented documents that previewed some of the arguments they plan to make as the extradition case wends its way through the legal system. Extradition, which could take months to resolve, will be difficult for Ms. Meng to fend off.

But her lawyers said the authorities breached Ms. Meng's rights to due process under Canada's constitution when they stopped her in transit, seizing her electronic devices, detaining her for three hours before she was arrested, and denying her immediate access to a lawyer.

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They also made clear that they would use President Trump's comments about Ms. Meng's arrest to argue that the case was politically motivated.

Shortly after Ms. Meng’s arrest, Mr. Trump said he might consider interceding in the case if that helped him reach a trade deal with China. Scott Fenton, one of her lawyers, said these statements were “intimidating and corrosive of the rule of law” and should disqualify the United States from being able to extradite Ms. Meng.

Mrs. Meng’s lawyers also plan to argue that the accusation that she breached United States sanctions against Iran does not constitute a crime in Canada, a prerequisite for her extradition to proceed.



Matthew Whitaker, then the acting attorney general, speaking about charges against Huawei for bank fraud and stealing trade secrets, in January.
Sarah Silbiger/The New York Times

Speaking outside court, Benjamin Howes, a spokesman for Huawei, said that Ms. Meng was innocent and that her arrest had been “guided by political considerations and tactics, not by the rule of law.”

In addition to its charges against Ms. Meng, the United States has accused Huawei of stealing trade secrets and obstructing a criminal investigation.

The defense’s request for new bail terms for Ms. Meng, 46, the eldest daughter of the founder of Huawei, may not go over well in Canada.

Since Ms. Meng's arrest, she has been out on bail of 10 million Canadian dollars, living in the \$6 million home, which is owned by her family in the affluent Dunbar area of Vancouver. She has been able to move fairly freely about the city, although she is under 24-hour surveillance and is wearing a GPS tracker on her ankle.

So far, Ms. Meng has kept a low profile, remaining largely out of sight.

Still, some in Canada were bothered by the original conditions, and the new terms could raise hackles further.

Some have contrasted her situation with those of the two Canadians accused of espionage in China, who have been held in isolation and in undisclosed locations, denied access to lawyers, and prevented from going outside or seeing sunlight.

David Martin, a lawyer for Ms. Meng, said at Wednesday's hearing that her second home in the city, a gated 8,047-square-foot mansion that has been under renovation, offered better security, allowing guards to move more freely on the grounds and limiting intrusions on neighbors.

In recent months, journalists, photographers and curious passers-by have descended on the Dunbar house hoping to catch a glimpse of Ms. Meng.

Ms. Meng's case continues to provoke tension between Canada and China. In addition to arresting the Canadians, China is using its economic might to punish Canada.

Beijing recently halted shipments of Canadian canola oil, saying they were contaminated; China bought about \$2.7 billion in canola oil from Canada last year.

Protesting in Vancouver for the release of Michael Spavor and Michael Kovrig, Canadians being held in China. Lindsey Wasson/Reuters

China has also suspended the permits of two large Canadian pork producers.

And when the Canadian agriculture minister recently requested a trade visit to China, Canadian officials said the request was ignored.

All the while, Mr. Trump is trying to hammer out a trade deal with China, and Canada is concerned that its citizens have become pawns in a geopolitical and economic battle between the United States and China in which Canada is paying a heavy price.

In recent weeks, senior Canadian officials have expressed annoyance that the United States, a critical ally, is not doing enough to help secure the release of the two detained Canadians — Michael Kovrig, a former Canadian diplomat, and Michael Spavor, a businessman.

In an interview this week with Reuters, Canada's ambassador to Washington, David MacNaughton, voiced concern that Canada remained “in the dark” as to whether Mr. Trump was prepared to drop charges against Ms. Meng as part of a “plea deal.”

Speaking to reporters on Tuesday, Chrystia Freeland, Canada's foreign affairs minister, said, “Any effort to somehow suggest that a justice issue should be mixed up with influence of trade issues is entirely inappropriate.”

On Sunday, Mr. Trump threatened to impose new tariffs on hundreds of billions of dollars in Chinese goods. Canadian officials say privately that they fear Mr. Trump could use Ms. Meng as a bargaining chip in the trade talks, without sufficiently addressing the case of the detained Canadians.

“Canada is appealing to the U.S. for help, but it is in a weak position and doesn't have a lot of cards to play,” said Wenran Jiang, a senior fellow at the Institute of Asian Research at the University of British Columbia. “It can't control Trump, and retaliating against China risks escalating tensions even more.”

Legal experts said that, under Canadian law, Ms. Meng faces an uphill struggle to avoid extradition.

“Extradition is a stacked deck against the defendant, in this case Ms. Meng, because the evidence the defense can introduce is very limited,” said Gary Botting, who has written several textbooks on Canadian extradition law and has advised Ms. Meng's legal team. “An extradition hearing is

not a trial.”

Nevertheless, he noted that the final decision rested with Canada’s justice minister, making it inevitable, he said, that politics could intervene.

“The politicization of the case is her best defense,” he said.

Her next court appearance is on Sept 23.

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Tracy Sherlock contributed reporting from Vancouver.

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