

THE NATIONAL INTEREST

Five Ways China Spies

Every time a fleeing or exiled Chinese official or public intellectual issues a warning about Chinese spies, the statements attain an immediate significance. When ousted Beijing University professor and Cato Institute visiting fellow Xia Yeliang made such remarks on February 27 press the world over picked up his remarks. Dr. Xia said “Every year among those top universities there are some visiting scholars, and among them I can definitely say there are some people who are actually spies... They don’t do any research—probably they just do some surveys for their boss.”

One of the reasons such remarks garner attention is that a mystique surrounds Chinese intelligence. The Chinese have not faced the same exposure that the Russians faced when Westerners helped defectors like Oleg Gordievsky, Vasili Mitrokhin, and Sergei Tretyakov write about the Soviet KGB and its successors. The shroud of mystery has meant Western observers treat Chinese intelligence as a kind of inscrutable beast, operating in fundamentally different ways than their Western and Russian counterparts. However, security services worldwide have uncovered a wide-ranging and familiar set of operational methods used by Chinese intelligence.

One of the reasons Chinese intelligence operations do not seem to make sense to observers is that they mistake intelligence for the theft of secrets. Intelligence does not mean the acquisition of “classified” or “secret” information. Intelligence is the acquisition and processing of information that assists in formulating policy and guiding action. Classification has nothing to do with it; Beijing’s concerns do. China concerns in the United States go beyond U.S. policy, including overseas Chinese populations, democracy activists, counterintelligence, and scientific expertise. And, as will become clear below, the Chinese seem to be very comfortable with merely secondhand access to sensitive information.

Here are five important and unmistakably familiar ways that China collects foreign intelligence.

1. Diplomats, Defense Attachés, and Journalists

Whoever said China spies in a fundamentally different way than others in the spy business got it wrong. Concealing spies within the embassy staff—the bread-and-butter of international espionage—has been and continues to be a hallmark of Chinese intelligence operations. In the past, these officially- or quasi-officially covered intelligence officers have laid low, focusing on eliciting information from interesting contacts rather than trying to recruit them. But that appears to have changed in recent years.

A little over three years ago, Sweden convicted a Uighur refugee, Baibur Maihesuti, from China of spying on other refugees inside and outside the country. His Chinese case officers were a journalist and diplomat, who paid him in exchange for telephone numbers, travel patterns, and other personal information about his fellow Uighurs. Around the same time, German officials also expressed concern that Chinese intelligence officers were operating more aggressively out of their diplomatic facilities. Although it might seem odd to a Western audience for a journalist to be associated with an embassy, Chinese journalists are state employees, giving them no deniability if they are caught in the middle of an operation.

2. Seeding Operations

Chinese intelligence services have been trying to feed intelligence officers and recruited agents into the adversary's organizations since the 1920s. In fact, China's first espionage heroes were the so-called "Three Heroes of the Dragon's Lair," who infiltrated the Kuomintang's intelligence apparatus. When a senior Chinese Communist Party (CCP) official defected, these three officers sounded the warning that allowed the CCP to survive. While communist intelligence employed this method with success throughout the Chinese Civil War, seeding emerged only more recently in operations against the United States.

The first, and so far, only case to reach a U.S. courtroom was Glenn Duffie Shriver, who Chinese intelligence recruited in 2004 while he was in Shanghai. In exchange for \$70,000, Shriver made several attempts to join the State Department and then the CIA's National Clandestine Service. CIA's background check, however, alerted security officials that something was not quite right, and further investigation revealed the connection to Chinese intelligence.

Shriver however probably was not the first such Chinese effort against the United States. In 1997, then-FBI counterintelligence chief Harry Godfrey III warned that "We have seen cases where [Chinese intelligence] have encouraged people to apply to the CIA, the FBI, and Naval Investigative Service, and other Defense agencies."

3. Academics and Scholars

It is a well-known fact that China's intelligence apparatus manages several think tanks to do research and analysis as well as consult with foreign officials and scholars. The most famous and biggest are the Ministry of State Security-run China Institutes of Contemporary International Relations (CICIR) and military intelligence-affiliated China Institute for International Strategic Studies (CISS) that each have dozens of researchers. The current MSS chief, Geng Huichang, built his career as a researcher at CICIR, rising to be its president in the early 1990s. And the CISS president has always been a senior member of military intelligence—most often the serving Deputy Chief of Staff with the foreign-affairs portfolio or his immediate predecessor—currently General Sun Jianguo. Their academic credentials makes them a valuable way to reach out to retired foreign officials and nongovernment policy analysts to get information on other countries by hosting conferences, Track II dialogues, and academic delegations. This kind of collection is nothing too nefarious, but it does get China access to a lot of gossip, the thinking of future officials, and other nonpublic, if still unclassified information. For the most part, these

“spies” are exactly who they say they are: Chinese intelligence officers with a scholarly job description.

But Chinese intelligence services also use academic and policy research institutions to hide clandestine operations. Research offers a useful excuse to commission research, hide suspicious travel, and engage a wide variety of officials. Scholars are naturally curious and are expected to ask questions. For example, Japanese police investigated an intelligence officer based in the Chinese embassy’s economics section in Tokyo in the late 2000s. Prior to working at the embassy, the military intelligence officer worked at the China Academy of Social Sciences, one of China’s most prominent think tanks. Against the United States, one of the intelligence officers believed to be involved in handling convicted spy, Chi Mak, worked as a researcher at a university in Guangzhou, capital of Guangdong Province.

4. Local Government Offices

Inside China, intelligence officials need little in the way of cover and sometimes having the overt power of the government comes in handy when confronting potential agents. A former security official in Tianjin, Hao Fengjun, told Taiwanese press that China’s intelligence services use local government credentials—often linked only to a numbered but unnamed office—to approach businessmen and officials when they find themselves on the other side of the law. For example, the MSS periodically sweeps brothels and karaoke parlors to pick up businessmen, especially those from Taiwan, and these “local government officials” would offer assistance and a way out through espionage. At other times, these “officials” threaten to close down Taiwanese businesses and confiscate the investment unless the businessmen agree to assist Chinese intelligence. Although only a few cases of such blackmail are known—most notably a Japanese code clerk in Shanghai—this offer of assistance to fix someone’s troubles before sending them home to spy appears to be China’s routine approach to spying on Taiwan.

5. Businesspeople at Home and Abroad

According to a widely cited [18]Hong Kong press article, Chinese military intelligence employs “commercial cadres” who operate like case officers despite not being official government employees. The businesspersons have government credentials and help intelligence officials recruit foreigners that might possess valuable information. One such person may have introduced Kuo Tai-shen, a naturalized U.S. citizen and Louisiana-based businessman arrested in 2008 for spying, to a Chinese intelligence official with the Guangzhou Friendship Association that promoted U.S.-China business ties. After being recruited himself, Kuo then recruited two U.S. Defense Department officials, Gregg Bergersen and James Fondren, to provide him sensitive defense information related U.S. concerns in the Asia-Pacific.

China also hides intelligence officers overseas using commercial cover—sometimes allowing them to emigrate and gain legitimate foreign documentation. Last year, Taiwanese counterintelligence with U.S. assistance uncovered a high-level penetration in Taiwan’s military. A Chinese intelligence officer living as an Australian businesswoman in Thailand handled General Lo Hsien-che—director of army telecommunications and electronic information at the time of his arrest—while he posted in Thailand as a military attaché in the early 2000s. She

and/or another Chinese intelligence officer reportedly lured Lo into a situation where he could be blackmailed and then offered to pay him thousands of dollars in exchange for cooperating with Chinese intelligence.