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CHINA INSIDER

The flag outside the United Nations headquarters during the 72nd session of the United Nations General Assembly in New York on Sept. 19, 2017.

EXISTENTIAL THREAT

BEIJING'S TAKEOVER OF UN
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Traders work on the floor of the New York Stock Exchange on March 20, 2020.

Calls for Scrutiny of US-Listed Chinese Companies Will Benefit Investors

FAN YU

Commentary

When Chinese beverage brand Luckin Coffee admitted to fraud—wiping out \$8.3 billion of value from U.S. investors' pocketbooks—the scandal highlighted the risks of investing in Chinese companies.

In an interview with Fox Business Network last week, President Donald Trump said his administration is “looking at” Chinese companies such as Luckin that are listed on U.S. exchanges yet don't always follow U.S. disclosure and accounting guidelines.

Investing bears risks. And investors understand that companies from emerging markets (such as China) bear an even higher risk-reward ratio, due to the less mature economy and less developed markets of their local countries.

But that's not all with Chinese companies. There are additional risks that investors may not be aware of. While being listed on U.S. stock exchanges, Chinese companies such as Luckin aren't held to the same accounting and disclosure standards as U.S. companies listed on those same exchanges.

There were 172 Chinese companies listed on U.S. exchanges that were valued at more than \$1 trillion as of September last year, according to an annual report issued by the U.S.-China Economic and Security Review Commission.

They're not on a level playing field with U.S. companies.

The U.S. stock market is home to companies from a multitude of industries, geographies, and financial positions. Investors' ability to determine the fair price of a com-

pany's stock is vital to the healthy functioning of the market. A level playing field and the integrity of market participants is paramount. That's why the Trump administration's investigations into Chinese companies should be a welcome development for investors.

Loopholes

As a starting point, Chinese companies should be bound by the same set of rules and guidelines as other companies listed on U.S. exchanges. But due to certain loopholes that U.S.-listed Chinese companies have exploited, they have more lax requirements compared to their American counterparts.

All U.S. companies are audited, and their auditors are professionally licensed accountants. The auditors' work papers—the detailed records of their examination of their clients' accounts—can be routinely examined by the U.S. accounting industry watchdog, the Public Company Accounting Oversight Board (PCAOB).

However, Chinese companies—even the U.S.-listed ones—are audited by Chinese accounting firms who don't have to answer to the PCAOB or the U.S. Securities and Exchange Commission (SEC). The SEC has attempted since 2013 to strike a deal with Chinese regulatory authorities to obtain the work papers of Chinese companies, but has been unsuccessful so far. The Chinese Communist Party (CCP) leadership views the accounts and financial records of Chinese companies as “state secrets.”

Following the Enron and WorldCom accounting fraud scandals of the early 2000s, the United States enacted the Sarbanes-Oxley Act to provide additional oversight to publicly traded companies.

Chinese companies—even the U.S.-listed ones—are audited by Chinese accounting firms that don't have to answer to U.S. authorities.

Among other things, the chief executives and chief financial officers of publicly traded companies must annually attest to the internal controls of their companies, and must certify that they are unaware of fraudulent acts. In certain cases, they can be held criminally liable for fraudulent acts under their watch.

Chinese companies listed on U.S. exchanges aren't subject to such oversight. Additionally, Chinese companies listed in the United States are all considered “foreign private issuers.” Certain requirements must be met to be considered foreign private issuers (FPIs), but once certified, FPIs enjoy additional advantages compared to their U.S. counterparts.

All U.S.-listed companies must file quarterly financial statements reviewed by their auditors. But the SEC grants FPIs an exemption: the quarterly requirement is waived.

These rules were originally put in place to ease the regulatory and reporting burden of companies that predominantly list their shares on another exchange. For example, a German multinational company that lists its shares primarily on the Frankfurt Stock Exchange must abide by German regulatory standards, and the SEC didn't want to overly burden a company that may have an additional listing in New York.

But no such burden exists for Chinese companies. Most Chinese companies traded in the United States are primarily listed in New York, and have no other regulatory reporting burden. So the FPI rules actually provide Chinese companies a loophole that allows significantly less transparency than their Western counterparts.

While most investors probably don't pay too much attention to filed financial reports or CEO certifications, they play a major role in establishing trust, integrity, and honesty in operations of a company. The U.S. regulatory framework has checks and balances in place, which affords U.S. investors the luxury to not have to pay attention to such details.

It's easy to forget that shareholders are owners, and as owners of these publicly traded companies, they must trust that their companies are functioning properly and executives are acting in good faith. Investors may have taken that for granted, given the long history of U.S. stock markets, but they can't afford to be so blasé towards Chinese stocks.

Integrity and trust have defined the U.S. stock markets for a century. Regulators must ensure that they endure for the next century.

Views expressed in this article are the opinions of the author and do not necessarily reflect the views of *The Epoch Times*.



WANG ZHAO/AP/FIA GETTY IMAGES

A woman walks past a Luckin Coffee store in Beijing on May 17, 2019. The company has admitted to fabricating sales data.

TECHNOLOGY

China Advancing Tech Standards Competition Amid the Pandemic

FRANK FANG

While the world is in the midst of combating an unprecedented pandemic, China is taking the opportunity to fulfill its industrial plans of becoming a tech superpower.

Known as China Standards 2035, the economic blueprint is a continuation of the “Made in China 2025” industrial plan that aims for China to achieve self-efficiency in 10 tech sectors by the year 2025.

Beijing rolled out China Standards in March 2018 during a meeting held at the state-run Chinese Academy of Engineering. The plan's objective is for China to dominate new technologies like artificial intelligence, big data, and IoT (Internet of Things) by developing technological standards and exporting them to the international market.

Taking Advantage of Pandemic

The pandemic has now become a part of China Standards 2035, after China's National Standardization Administration (SAC) released a new document called “Main Points of National Standardization Work in 2020” in March.

The document constitutes “the initial roadmap for the China Standards 2035; the set of actions to be taken, and positioning to be acquired, over the next year,” wrote U.S.-based independent consultancy Horizon Advisory in its April report analyzing the document.

Horizon Advisory noted that this document represented China's next step in its grand strategy.

The Chinese document explained how China should “accelerate the development of COVID-19 epidemic prevention and detection methods and quality control standards,” while promoting standards including “epidemic prevention and control materials and industrial chain supporting equipment.”

This is currently evident in China's sending of medical supplies and health experts to other countries to fight the virus, said Emily de La Bruyère, a co-founder of Horizon Advisory, in an email interview. Beijing seeks to export “Chinese standards of care and public health administration and management,” she said.

Several countries, including Israel, the Netherlands, Spain, and the Czech Republic, have complained that the Chinese medical supplies were substandard or did not work properly.

Bruyère elaborated that Beijing's aid to other countries also come with information technology systems, such as the inter-

national “anti-epidemic” service package offered by Chinese tech giant Tencent.

Tencent explains on its website that the package contains services such as computer programs for holding online meetings and databases on medical knowledge about the virus.

U.S. officials have previously warned about the risks associated with Tencent, outlining that its ties to China's state security apparatus makes the company a “surveillance arm of the Chinese Communist Party (CCP).”

“Tencent also operates Beijing's international COVID-19 information platform,” Bruyère added.

As companies around the world race to develop a vaccine for the CCP virus, commonly known as the novel coronavirus, Beijing is also eager to utilize large numbers of clinical trial participants, “to leverage that position to extend its standards in R&D, production, distribution, and care as the sprint to find a cure moves ahead,” said Nathan Picarsic, another co-founder of Horizon Advisory in an email interview.

He added that China has especially prioritized developing pharmaceutical production and standards in both Made in China 2025 and China Standards 2035.

Military-Civil Fusion

Both plans rely upon Beijing's state-directed initiative of leveraging cooperation between the military and private industry to advance technological innovation. The effort is coined “military-civil fusion,” and is now overseen by a government agency called the Central Commission for the Development of Military-Civil Fusion.

In the March SAC document, military-civil fusion was mentioned several times, including plans to increase “joint efforts of military and civilian standardized technical organizations.”

New U.S. export restrictions against China were enacted in late April to stem the flow of U.S. technology to the Chinese military under Beijing's “fusion” strategy.

The Department of Commerce now requires U.S. companies to obtain licenses in order to sell certain items to companies in China that support the Chinese military, even if the items are for civilian use. The list of items includes semiconductor production equipment and sensors.

Bruyère said that while export restrictions will not curtail the CCP's ambitions, “those measures are necessary first steps better to understand the threat and compete over standards.”

“Beijing's strategy hinges on access to US technology and innovation. Beijing fears a ‘high-tech blockade,’” she added.

Since May last year, the U.S. government also placed a roster of Chinese companies on the Entity List, meaning that American companies need to obtain special licenses in order to do business with them.

Those companies include Huawei and its 114 non-U.S. affiliates; five Chinese supercomputer firms and their many allies; China's largest state-owned nuclear company CGNPG and its three affiliates; Chinese artificial intelligence firms such as SenseTime Group and Megvii Technology, and surveillance equipment manufacturers such as Hikvision.

In November 2019, the Commerce Department announced a procedure to secure U.S. telecommunications networks and their supply chains, adopting a “case-by-case, fact-specific approach” to review and ban any transactions that pose security risks. According to Reuters, the procedure was widely seen as targeting Chinese telecom firms such as Huawei and ZTE.

Beijing's strategy hinges on access to US technology and innovation. Beijing fears a ‘high-tech blockade.’

Emily de La Bruyère, co-founder of Horizon Advisory

Then, in January, the Commerce Department announced export restrictions on U.S. tech companies making artificial intelligence software for analyzing satellite images, which experts also saw as a move to block the technology from entering China.

Picarsic said that China's approach is fundamentally different from other countries in the pursuit of technology innovation.

Instead of investing “in basic research and fundamental science and technology,” the CCP capitalizes on loopholes in regulations and acquiring stakes in foreign companies as ways to dominate global supply chains.

Ultimately, the Chinese regime uses “that foothold to influence standards, ensuring control over the larger industrial segment,” Picarsic explained.

Transport Logistics

The Horizon Advisory report pointed out that China has already made inroads in advancing international standards through its state-controlled National Transportation Logistics Platform, LOGINK.

LOGINK is a logistics information-sharing network constructed and implemented by a number of Chinese government ministries,

including transport, science and technology, commerce, and public security, according to its website. It works with Chinese companies such as state-owned shipping giant COSCO and logistics operator Cainiao, which is run by tech giant Alibaba.

China wants countries to adopt LOGINK's data and logistics software, so that it can gain access to large amounts of data used in transporting goods.

Beijing “seeks to revolutionize the CCP's global information access and control, to propel Chinese companies' and information systems' positioning, and to cement international standards—itsself as the standard for modern transportation's information foundation,” Horizon Advisory stated in its report.

LOGINK is a member of the trade group, International Port Community Systems Association.

5G

The next-generation of wireless communication technology, 5G, is another focus for the Chinese regime.

Huawei is currently the biggest contributor to 5G standards, according to a March report by U.S.-based research and consulting firm Strategy Analytics.

The Chinese company is especially ahead of the game in terms of supplying all-Huawei software and hardware equipment (known as end-to-end) for 5G network infrastructure, whereas other telecom firms lead in particular tech specifications.

“The standards competition is the strategic showdown of the century,” Bruyère explained. “Beijing has been planning for it, explicitly, since at least 2000,” she added.

Future Policy

She added that the U.S. government needs to understand its standards competition with China, such as the long-term impact of China owning networks and platforms, and how such competition could threaten America's economic, security, and political systems.

It was not enough for the U.S. government to focus on individual Chinese companies such as Huawei, Bruyère said, since “Beijing's state backing can simply replace them with a new army.”

Picarsic noted that “Beijing intends for this competition to be a long-term, peacetime affair.”

He elaborated that Beijing has an advantage, given its market size and “careful protection of its own critical infrastructure and data.”

The United States can only rival China if it works together with allies, Picarsic concluded.



Chinese paramilitary police wearing protective masks march by the entrance to the Forbidden City in Beijing on May 2, 2020.

CHINESE INFLUENCE

Beijing Takeover of United Nations Presents Existential Threat to US: Experts

ALEX NEWMAN



Officials and experts are sounding the alarm about the threat posed by Beijing's outsized influence in international organizations, part of its "global governance" agenda.

With a newly updated list of communist Chinese nationals in leadership positions within the United Nations and beyond, critics are calling for concrete action to rein in Beijing.

Already, Chinese officials lead an array of powerful global agencies and organizations.

Out of 15 specialized U.N. agencies, for instance, four are under the leadership of Chinese officials—and that just scratches the surface.

At least one senior former official in the Donald Trump administration, former Assistant U.S. Secretary of State for International Organization Affairs Kevin Moley, told The Epoch Times that this ongoing takeover represents "the greatest existential threat to our republic since our founding."

"This is the fight of our lives," he added. "It is a struggle between Western civilization and the Communist Party of China."

A new report by the U.S.-China Economic and Security Review Commission (USCC), released in April, showed that the Chinese regime's grip on international institutions is tightening quickly.

"Since the U.S.-China Commission began tracking officials from the People's Republic of China serving in leadership positions in international organizations, Beijing's influence has only grown over key U.N. agencies responsible for funding and policymaking on a wide range of important issues," the U.S.-China Economic and Security Review Commission told The Epoch Times in a statement.

"Contrary to the International Civil Servant Standards of Conduct, they [Chinese officials who lead U.N. agencies] use those positions to pursue China's foreign policy goals," the Commission added.

Through its growing influence at the U.N. and other international organizations, Beijing is pursuing its own interests, including greater global influence and control, according to the Commission.

"China has steadily promoted positions favoring Beijing's own interests and views, such as internet governance, technical standards for emerging technologies, and economic development overriding human rights concerns," the organization said in the statement.

Experts and officials who spoke with The Epoch Times, though, warned that the USCC report does not capture the full extent of the problem.

Congress and the administration must take action, they said.

Beijing's Control Over Chinese UN Officials

Experts say Chinese nationals leading international organizations are especially problematic in light of the Chinese Communist Party's (CCP) expectations of absolute loyalty to the Party.

Take for example, Chinese official Meng Hongwei, who was president of the global law-enforcement agency Interpol and former vice minister of China's public security. He was arrested by the regime while on a trip to China in late 2018. Among his alleged crimes was disobeying Communist Party orders.

At least one Chinese official has boasted on Chinese television of how Chinese officials use their influence at the U.N. to advance CCP objectives.

Former U.N. under-secretary-general and head of the U.N. Department for Economic and

Social Affairs (UNDESA) Wu Hongbo bragged on Chinese state broadcaster CCTV that he used his position to have U.N. police remove World Uyghur Congress President Dolkun Isa from a seminar in the U.N. building. As head of a dissident group that advocates self-determination for Uyghurs in China's Xinjiang region, Isa has been targeted by the CCP.

"We have to strongly defend the motherland's interests," Wu explained as the audience applauded.

The Threat

Former State Department official Moley, who served from 2018 to 2019, said it was hard to overemphasize the seriousness of the threat.

In a phone interview with The Epoch Times, Moley sounded the alarm.

"I feel like Paul Revere, saying the 'British are coming, the British are coming,' but really, the Chinese are already here," he warned.

Moley also served as the U.S. Permanent Representative to the U.N. from 2001 to 2006.

Moley said much of the media and many in the political class have downplayed or ignored the danger.

Pointing to concentration camps for Uyghurs in Xinjiang, Moley compared the situation to the late 1930s, when world leaders turned a blind eye to abuses under Nazi leader Adolf Hitler.

Moley said key officials embedded within the State Department stretching back to the Obama administration and even earlier have been "complicit in what has transpired."

Pointing to Beijing's use of "corrupt practices" to seize control of U.N. agencies and other international organizations, he said the United States must respond appropriately.

"This is not just an uneven playing field," he said. "We have been completely outgunned and outvoted."

"The latest USCC report represents just the tip of the iceberg, Moley continued.

China has steadily promoted positions favoring Beijing's own interests and views, such as internet governance, technical standards for emerging technologies, and economic development overriding human rights concerns.

U.S.—China Economic and Security Review Commission

"The Chinese have also flooded these agencies with interns and consultants," he claimed.

For example, in Montreal, he said, Canadian authorities cannot keep track of the Chinese agents operating at international institutions.

Beijing has also "flooded" the World Health Organization (WHO) with interns and junior professional officers, all of whom—unlike Americans and others from Western nations—are under the direct control of their government.

"They have absolutely flooded the U.N. system with their people," he said. Several insider sources at the U.N. also confirmed to The Epoch Times that this phenomenon existed at the organization.

Moley explained that this risks numerous global regulatory and standard-setting authorities being controlled by Beijing in sectors ranging from telecommunications to global aviation.

"Their goal is to use this to benefit China, advance their objectives, and expand their control,"



he said, citing China's Belt and Road initiative (BRI, also known as One Belt, One Road) to illustrate what was happening at the global level.

"They are creating a network of infrastructure to exercise mercantile influence, and they want to undermine countries along the route," he said.

Allowing Beijing to join the World Trade Organization was a "critical mistake," Moley argued. Beijing is exploiting the international system to gain a competitive economic advantage over the United States, Moley said.

"America's most important product is intellectual property ... China's most important product is also American intellectual property," he said.

Beijing's threats were all-encompassing. "This is cultural, military and economic competition," said Moley. "They want to defeat the West in everything, including in terms of values."

Moley said that during his time at the State Department, there were only a handful of people whom he could count on and fully trust on China issues.

UN Agencies Under Beijing's Control

Almost a third of all U.N. agencies are now being led by a communist Chinese official in the top job, the USCC report showed.

These include the International Telecommunication Union (ITU), which has been run by Zhao Houlin since 2015.

Before working at the U.N., Zhao worked at China's Ministry of Posts and Telecommunications, which is now part of the Ministry of Industry and Information Technology.

The ITU is an important organization within the U.N. system. Multiple governments have advocated giving it sweeping powers over the internet.

When Zhao was once asked by South Korean media Yonhap news agency about Beijing's censorship apparatus, he brushed it off.

"We [at the ITU] don't have a common interpretation of what censorship means," he was quoted as saying.

Another U.N. agency under

Beijing's control is the International Civil Aviation Organization (ICAO), which seeks to oversee global air travel and the aviation industry.

Headed by Liu Fang, whose career began at the Chinese regime's aviation department, ICAO has become infamous for its hostility toward self-ruled Taiwan and proposing international taxes on air travel.

The U.N. Industrial Development Organization is led by Beijing's former Vice Minister of Finance Li Yong.

The disgraced agency has lost multiple Western governments as members after it funded investments in the dictatorial regimes of Cuba and Iran.

Li, who runs the agency, frequently defends and promotes Chinese companies such as Huawei, with Beijing's propaganda machine amplifying the rhetoric and claiming that the U.N. supports it.

The Rome-based U.N. Food and Agriculture Organization was the most recent agency to fall under Beijing's control, with Qu Dongyu taking the helm last summer.

According to media reports, Beijing relied on bribes and threats to secure the influential post.

The agency shapes agricultural policy worldwide and distributes food aid.

The CCP also boasted that it played a "crucial role" in creating the U.N.'s Agenda 2030 Sustainable Development Goals, which have been widely touted by U.N. leaders as the "masterplan for humanity."

Secretary-general of the U.N. Antonio Guterres also boasted of the "alignment of [the CCP] Belt and Road Initiative with the Sustainable Development Goals."

Other UN Posts

Other powerful leadership posts include Liu Zhenmin, who served as Under-Secretary-General for the U.N. Economic and Social Affairs since 2017. He took over from another Chinese official who held the job before him. Liu previously served as vice minister for Foreign Affairs.

Separately, Xu Haoliang serves as Assistant Secretary-General

for the U.N. Development Programme (UNDP), an agency with a history of boosting communist regimes.

As far back as the 1980s, for instance, under the guise of "development," the UNDP was helping Beijing's ally in Pyongyang build a semiconductor factory that the North Korean regime uses to produce missile components.

Xue Hanqin serves as vice-president of the International Court of Justice, the primary judicial body of the U.N.

This body, which describes itself as the "World Court," was created to settle disputes between governments.

Beijing representatives also serve in deputy leadership positions.

Liu Jian, for instance, serves as chief scientist and acting director of the science division for the agency known as U.N. Environment, an organization that helps shape environmental policies worldwide.

Chinese officials have been major proponents of slashing CO2

emissions in Western nations, while China's own emissions continue to grow.

Until 2018, Chinese official Tang Qian served as assistant director-general of the U.N. Educational, Scientific and Cultural Organization (UNESCO), and was nominated by Beijing to take over the entire agency, though the bid ultimately failed. His boss was Irina Bokova, daughter of a famous Bulgarian communist politician.

UNESCO plays an enormous role in global education policy, helping shape the minds of billions of children.

In 2018, as Tang was on his way out, new UNESCO chief Audrey Azoulay, a French Socialist, appointed Communist Chinese official Qu Xing to serve as deputy director-general of the agency. He is not listed in the USCC report.

At the WHO, which has been criticized during this pandemic for parroting Beijing's talking points, Chinese official Ren Minghui serves as assistant director-general for "universal health coverage."

VINCENTO PINTO/AFP VIA GETTY IMAGES

Before being replaced by the Beijing-backed Dr. Tedros Adhanom Ghebreyesus, the WHO was led by Margaret Chan, a former Hong Kong official loyal to Beijing.

Citing the COVID-19 scandal, Trump recently blasted the WHO as "very China-centric" and has ordered U.S. funding to be halted, pending a review into the WHO's pandemic response.

Another key Chinese leader at the U.N. is Wang Binying, deputy director-general of the World Intellectual Property Organization (WIPO).

Beijing lobbied for Wang to become head of the agency.

Experts raised concerns that if a Chinese official headed the agency, Beijing would have access to the world's largest repository of intellectual property and secrets, with implications for American companies and U.S. national security.

Zhang Wenjian serves as assistant secretary-general of the World Meteorological Organization, an agency that shapes climate policy.

Some senior U.N. posts occupied by Beijing's agents are not mentioned in the USCC report, such as Secretary of the International Plant Protection Convention Xia Jingyuan.

And the number of Chinese consultants and contractors in key positions of influence dwarfs those who are officially appointed, multiple sources told The Epoch Times.

Beyond the UN

Beijing also has officials installed at other international organizations, spanning financial and banking policy to infrastructure and development, according to the USCC report.

At the International Monetary Fund (IMF), for example, Zhang Tao has served as deputy managing director since 2016, a post he took up after serving as deputy governor of China's central bank, the People's Bank of China.

Meanwhile, Lin Jianhai serves as secretary of the IMF and of the International Monetary and Financial Committee.

The IMF's executive director for China, meanwhile, is Jin Zhongxia, another former official at China's central bank.

The World Bank also has Chinese officials in multiple influential positions.

Among them are Yang Shaolin, managing director and chief administrative officer; Hua Jingdong, vice president and treasurer; and Yang Yingming, executive director for China.

With an annual bond issuance of \$50 billion and the ability to shape government policy around the world, having multiple Chinese operatives at the helm of the World Bank is a major threat to freedom, experts say.

The recently formed Asian Infrastructure Investment Bank (AIIB), proposed by Beijing and comprised of Indo-Pacific nations, is headed by Chinese official Jin Lihou. The bank hopes to rival the U.S.-backed Asian Development Bank.

But even the Asian Development Bank, which has traditionally been backed by the West and the United States, includes Beijing's Chen Shixin as vice-president of operations and Cheng Zhijun as executive director for China.

The Inter-American Development Bank (IDB) also includes Chinese governor, Yi Gang, who simultaneously serves as the governor of the People's Bank of China.

The WTO, which has been instrumental in aiding Beijing's economic rise to global superpower status, features Chinese official Yi Xiaozhun as deputy director-general.

Meanwhile, Beijing's Zhao Hong serves on the WTO's Appellate Body, which decides dis-

putes between nations and governments.

The International Atomic Energy Agency, which regulates the use of nuclear technology, also has a Chinese deputy director-general, Yang Dazhu.

Beijing is planning to inject more officials into the U.N. and other organizations; there is a relatively new "School of Global Governance" offering training at the Beijing Foreign Studies University.

Non-Chinese Assets

Former U.S. State Department official Moley and other former senior Trump officials emphasized that even many non-Chinese officials are doing the bidding of Beijing.

A former senior U.N. official with more than 30 years' experience in the world of U.N. diplomacy echoed concerns of other experts about the ability of Beijing to count on diplomats from other nations to do its bidding.

"China understood very early the importance for its interests of a growing influence within the United Nations," said the U.N. official, who requested anonymity to speak frankly amid continued dealings with the U.N.

This is not just an uneven playing field. We have been completely outgunned and outvoted.

Former state department official Kevin Moley

"This resulted in an uncompromising struggle for obtaining high positions guaranteeing decisive responsibility in the U.N. agencies," the former official said, adding that governments within the "Group of 77" (the G77 + China alliance of more than 130 governments) functioned as "satellites" of Beijing and had "become the armed wing of the Chinese U.N.-related diplomacy."

Because decisions in most U.N. bodies are made on the basis of one vote per government, China has been able to gain a great deal of leverage despite its relatively meager funding of organizations.

Using its allies in African, Latin American, and Asian governments, China has been able to "effectively tip the scales" when needed, the former U.N. official said.

"With time, big money and political intimidation, the U.N. became the Cosa Nostra of China and most U.N. agencies drifted into a typically mafia-type modus operandi dominated by large-scale corruption and embezzlement schemes, collapse of rules and internal laws and abuse of power," the source said.

"The giant Chinese octopus is having its tentacles spreading ever wider every day," the former official added.

Whistleblowers who have opposed China's human rights abuses from within the U.N. expressed similar concerns.

Former U.N. human rights official Emma Reilly, whose case was the subject of an in-depth article in The Epoch Times, also noted that non-Chinese U.N. officials are frequently helping Beijing.

"While there has been a lot of focus on Chinese nationals being appointed as heads of U.N. agencies, that is merely a very obvious sign of a more general issue," she told The Epoch Times. "China does not need to have its nationals appointed when those at the top will simply do the Chinese government's bidding and break the rules in order to help them identify victims for torture and genocide."

Reilly alleged that the U.N. Of-

fice of the High Commissioner for Human Rights handed the names of Chinese dissidents seeking help to Beijing.

She has filed a complaint before the U.N. Dispute Tribunal. The U.N. human rights office has previously declined to comment on Reilly's allegations, "given current litigation."

China exercises its control over staffing, too, Reilly said.

"China as one of the permanent five on the Security Council can simply use its influence to block appointment of anyone likely to act independently and apply the same rules to China as to everyone else, as U.N. staffers formally required to do by the U.N. Charter," she said.

Problems Under Obama

As The Epoch Times reported in September, there is now a concerted effort to blame the ongoing takeover of the U.N. by the CCP on Trump.

However, Moley and others argued that the Trump administration was among the first to take China's threat seriously.

Moley said that the problems began even before the Barack Obama administration, going back to when President Bill Clinton welcomed Beijing into the WTO.

Still, multiple sources from within the U.N. and the State Department, as well as external experts and analysts, said the Obama administration was crucial in allowing the current crisis to materialize.

"The Communist Chinese infected the U.N. with their malign influence—and the Obama administration helped hold the reins," said Christopher Hull, Ph.D., a senior fellow with Americans for Intelligence Reform, who has closely followed China's growing influence in the international system.

In particular, Dr. Hull and several others pointed the finger at Deputy Assistant Secretary of State for International Organization Affairs Nerissa Cook, who has served in that position since 2010.

Another U.S. official whom insiders said facilitated the problem is Bathsheba Crocker, former U.S. Assistant Secretary of State for International Organization Affairs during the Obama administration.

She was quoted by Chinese propaganda organs celebrating Beijing's growing role within the U.N. system, with state-run newspaper China Daily reporting that Crocker was "particularly pleased" to see China taking more responsibility in the U.N.

When Trump's appointees tried to have Cook and other senior officials provide details on Beijing's growing control over U.N. agencies, they did everything possible to stall, two inside sources told The Epoch Times. Those officials then worked to get Trump's appointees ousted, according to the sources.

Moley said a report was drafted, identifying the nationality of key officials, including those representing Beijing, within international organizations. But he did not receive the report until months later. Another State Department source confirmed the stalling.

Neither the U.S. State Department, Crocker, or Cook responded to requests for comments made by phone and email.

China's mission to the U.N. did not respond to requests for comment by press time.

Alex Newman is an award-winning international journalist, educator, author, and consultant. He serves as the CEO of Liberty Sentinel Media and writes for diverse publications in the United States and abroad.



JOHANNES SIMON/GETTY IMAGES



Falun Gong practitioners perform the exercises at a rally commemorating the 20th anniversary of the persecution of Falun Gong in China, on the West Lawn of Capitol Hill on July 18, 2019.

RELIGIOUS FREEDOM

US Officials Celebrate Resilience of Spiritual Group Persecuted in China

EVA FU

Officials worldwide sent letters in support of the spiritual practice Falun Gong and commended its adherents for weathering decades of brutal persecution in China.

Falun Gong, also known as Falun Dafa, an ancient meditation discipline with moral teachings centered on truthfulness, compassion, and tolerance, was first introduced to the public on May 13, 1992, in the city of Changchun in northeastern China. May 13, which is also the birthday of the practice's founder, Li Hongzhi, is now recognized as World Falun Dafa Day.

Every year, practitioners in more than 90 countries around the world celebrate the occasion.

Lawmakers from the United States, Canada, Germany, and Australia joined in the commemoration.

"This day recognizes the millions of people around the world that have found this ancient Chinese culture practice to be key in addressing stresses and anxiety of modern-day life," Rep. Dwight Evans (D-Pa.) stated in a letter.

Tamara Jansen, a Conservative Party member of Canada's Parliament, wrote, "Though the festivities are taking place in a different form this year, the Falun Dafa principles of truthfulness, compassion, and tolerance are being honored and celebrated."

State Senator Tom Killion (R-Pa.) called the practice "a powerful mechanism for relieving stress and healing," and expressed appreciation for the group enriching his constituent community's diversity, while Sen. John Cornyn (R-Texas)



Falun Gong practitioners take part in a rally calling for an end to the persecution of Falun Gong in China, on Capitol Hill in Washington on June 20, 2018.

said Falun Gong serves as a "positive example to the world."

Meanwhile, a request for the U.S. flag in front of the Capitol building in Washington to fly in honor of World Falun Dafa Day on May 13 came from Rep. Brian Fitzpatrick (R-Pa.), and the mayor of St. Peters, a city in Missouri, proclaimed May 13 to be the city's Falun Dafa Day.

"On World Falun Dafa Day, we strive to uphold the universal tenets of truthfulness, compassion, & forbearance, ideals that are fundamental to the expression of the Falun Gong faith," Sam Brownback, the U.S. ambassador at large for international religious freedom, said May 13 in a message of support on Twitter. The celebration has been overshadowed for years by the continuous persecution of adherents in China. Since July 1999, hundreds of thousands of adherents have been thrown into prisons, labor camps, and brainwashing centers amid the atheist Chinese regime's sweeping

Some lawmakers also called attention to the ongoing atrocity of forced organ harvesting in China. Last year, an independent people's tribunal in London found that the spiritual group was the main source of organs for China's state-sanctioned organ transplant industry, and that forced organ harvesting had taken place "on a significant scale." In 2016, the U.S. House of Representatives unanimously passed a resolution condemning the human rights violation, calling it "one of the great crimes of the 21st century."

Rep. Ron Wright (R-Texas) said he hoped to work with Falun Gong adherents to "end religious persecution and the forced organ harvesting by the CCP."

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Sam Brownback, the U.S. ambassador at large for international religious freedom

Sylvester Turner, mayor of Houston, Texas, said the practitioners' "determination and courage" to stand up for their values "has shown the world the value of life and the beauty of human dignity."

It Would Be Unwise to Dismiss Trump's Wuhan Lab Leak Theory

CLIVE HAMILTON

Commentary



Donald Trump says he believes the coronavirus was accidentally leaked from a Wuhan laboratory but has provided no proof. Intelligence agencies in the United States and Australia say they have no hard evidence. The Australian government says it's most likely that the virus was transferred from an animal to humans at Wuhan's wet market. Secretary of State Mike Pompeo seems to be walking back from his previous strong statements.

Some are treating Trump's claim as without basis and we wait to see if he can back it up. In the meantime, it's unwise to dismiss the accidental lab leak hypothesis. Here's why.

Note first that it's not a conspiracy theory; it's an accident hypothesis. And we should not mix up the claim of an accidental leak of a naturally occurring virus with the claim that the virus was constructed or manipulated in a laboratory to become more potent. Genetic analysis has disproved the latter.

The main evidence pointing to a lab leak, all of it circumstantial, comes from research published by Chinese scientists before Beijing shut them down. On Jan. 29, an article written by Chinese researchers was published in the New England Journal of Medicine. It concluded from an analysis of 425 coronavirus patients that 55 percent of cases diagnosed before Jan. 1 were linked to the South China Seafood Market, leaving 45 percent who had no apparent contact with the market.

On Feb. 6, a short paper by two scientists from Wuhan universities and titled "The possible origins of the 2019-nCoV coronavirus" appeared. Botao Xiao and Lei Xiao noted that the habitat of the bats carrying the suspected virus is 900 kilometers from the seafood market, that the bats are not eaten by Wuhan residents,

and that "no bat was traded in the market."

Nor is there any evidence of an intermediate host (speculation has centered on pangolins). They point out that there are two research centers that experiment on bat viruses in Wuhan, one less than 300 meters from the seafood market and the other, the Wuhan Institute of Virology, around 12 kilometers. They concluded that "the killer coronavirus probably originated from a laboratory in Wuhan." The article was quickly removed. Botao Xiao later told the Wall Street Journal he had withdrawn the paper because it lacked "direct proofs."

Wuhan's Institute of Virology is 12 kilometers from the wet market linked to the first large cluster of COVID-19 cases.

A more thorough study by 27 Chinese scientists published in The Lancet on Feb. 15 found that 27 patients from a sample of 41 admitted to hospital in the early stages of the outbreak had been exposed to the market, leaving 14 who weren't. The first person diagnosed with COVID-19 (on Dec. 1) had no contact with the market and lived a long way from it.

Richard Lucey, an infectious diseases expert at Georgetown University who had studied the early data, told Science magazine that the virus must have been circulating silently in Wuhan well before the cluster of infections broke out at the markets. The authorities, he said, "must have realized the epidemic did not originate in that Wuhan Huanan seafood market" even as they were putting this story around.

On Feb. 14, Chinese leader Xi Jinping gave a speech to party leaders declaring China must "close the loopholes exposed by the epidemic." He announced the fast-tracking of a new law for "biosecurity at laboratories" specifically targeting the use of biological agents that "may harm national security." The law had been in the pipeline for some months and some experts say tightening security measures at laboratories is to be expected after an outbreak like this one.

The next day, the Chinese Ministry of Science and

Technology published a new directive "strengthening biosecurity management in microbiology labs that handle advanced viruses like the novel coronavirus." Again, overseas experts who have worked at the Wuhan Institute of Virology said this is normal after an outbreak.

The Wuhan Institute of Virology is the "only facility in China permitted to handle the most dangerous known pathogens, including the Ebola and Lassa viruses." It has been studying new SARS-related coronaviruses in bats for several years. The work has included manipulating coronaviruses to make them more potent. Researchers have to take stringent measures to prevent themselves from catching viruses. Around the world, leaks from labs have been known to occur.

In November, the Wuhan Institute of Virology posted a notice inviting applications for post-doctoral fellows to join a team led by Dr. Peng Zhou using bats to research Ebola and SARS-associated coronaviruses. Peng Zhou has been studying how bats can carry highly pathogenic viruses without becoming sick.

In mid-January, Major General Chen Wei, the Chinese military's top epidemiologist and virologist, arrived in Wuhan with a team of military scientists. They based themselves at the Wuhan Institute of Virology. At this time, messages had been circulating on social media platforms WeChat and Weibo claiming that "patient zero," the first to be infected, was a researcher at the Wuhan Institute of Virology. It was suggested she was a graduate of the Institute, worked on coronaviruses, and never visited the South China Seafood Market. The Institute released a statement saying that the person in question left Wuhan in 2015 and was quite healthy.

In early February, as the epidemic spread to other countries, Beijing became deeply worried about the damage to China's international reputation and began a campaign to deny the fact that the virus had its origins in Wuhan and spread disinformation such as the outlandish

claim that the U.S. military took the virus to Wuhan.

Beijing also moved quickly to shut down scientific research. Last month China's State Council ordered universities and research institutions to implement strict management of all scientific papers concerning the coronavirus, especially those dealing with its origin. Political vetting is now required before publication is permitted. The director of the Wuhan Institute of Virology emailed staff on April 9 instructing them not to disclose any information about the disease, not even to China's official media or partner institutions.

Beijing does not want the truth to be known, going so far as to delete from a European Union opinion piece words noting that the outbreak originated in China. But the truth matters because prevention of a similar catastrophe depends on it. If the pandemic was due to a lab accident, then the answer is tighter lab controls. (And those in charge will have a lot of explaining to do.) If the virus arose from animal transfer in the wet market, then the answer is to shut down the trade in live animals. Or the truth may lie elsewhere.

So, will the world know the truth about the origin of the new coronavirus? Chinese scientists are some of the world's leaders in virology, genetics, and epidemiology and they have much to teach us. However, Beijing, paranoid about being blamed for the pandemic, has seen fit to silence them.

If the virus did escape from a lab it now seems the world will only know if some brave souls leak documents or otherwise blow the whistle.

Clive Hamilton is a professor at Charles Sturt University in Canberra and co-author with Mareike Ohlberg of "Hidden Hand: Exposing how the Chinese Communist Party is reshaping the world," due out June 16, 2020.

Views expressed in this article are the opinions of the author and do not necessarily reflect the views of The Epoch Times.



Police stand guard at a railway station in Wuhan, China, on April 7, 2020.

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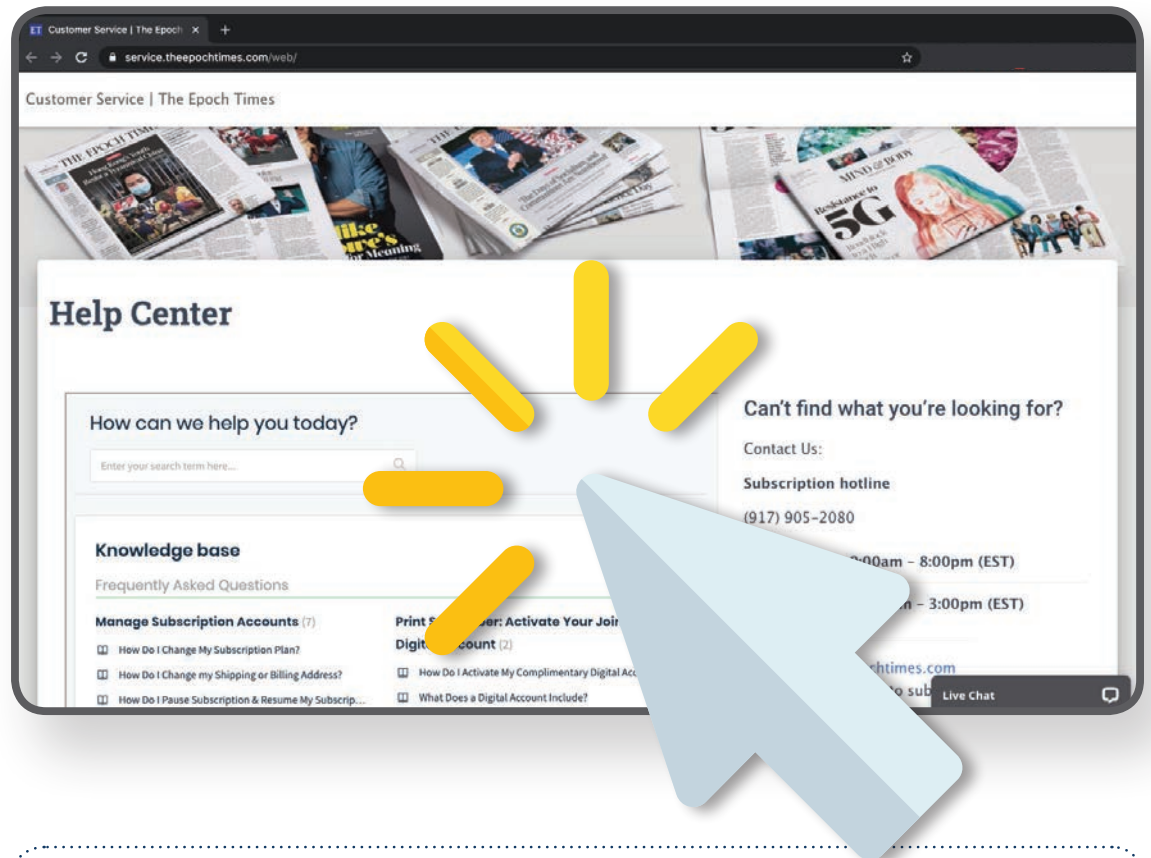
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