

See Page 2

U.S. Attorney General Merrick Garland speaks at the Department of Justice in Washington on Jan. 5, 2022.

As a former

federal prosecutor

counterintelligence

I appreciated the

threats from the CCP.

prior administration's

establishment of the

DOJ's China Initiative

to bring focus to this

very real threat.

Rep. Michael McCaul

(R-Texas)

who worked on

CCP INFILTRATION

DOJ's Crackdown on Chinese Espionage Comes Under Fire, but Some Argue Program Is Necessary to Counter CCP Infiltration

ANDREW THORNEBROOKE

he Department of Justice (DOJ) is completing a review of its anti-espionage "China Initiative," which critics of the program hope will result in a shift away researchers.

The news follows numerous allegations of racial discrimination and misconduct leveled by academics and civil rights advocacy groups. It is now believed that the Biden administration will pull back its efforts to target academic researchers as part of the program and reorient to focus more clearly on espionage-related cases.

Though some groups have called for the wholesale abolition of the program, defense and security experts believe that the initiative is necessary to stem the tide of technology theft being perpetrated by the Chinese Communist Party (CCP). Thus reforming the program is preferable to repealing it, they say.

"The China Initiative, I do think it's necessary," said Timothy Heath, a senior defense researcher for the Rand Corporation, a defense-focused think tank.

"I think that what we're already finding is that this competition with China is going to be tough. Current policies are headed in the right way, but additional measures are necessary in order to keep pace with how much China is stealing and carrying out influence activities in the U.S," Heath said.

"What [the DOJ] could do better is to message that what the Justice Department is trying to do is stand up and protect ethnic Chinese Americans from the Communist

Party and it wants to be an ally of, and work with the ethnic Chinese American community to guard against illegal CCP efforts to carry out espionage, recruit, subvert, and carry out political influence activities.'

What is the China Initiative?

The China Initiative was launched by the that would benefit the CCP in some way. Trump administration in 2018. Its purpose threats stemming from the CCP's use of espionage, fraud, and cybercrime against the United States.

The effort tended to be associated at first with the trade war between former president Donald Trump and CCP leader Xi Jinping, though experts had long warned of CCP efforts to use legitimate institutions as cover for its espionage efforts.

Former attorney general William Barr called the CCP's efforts to steal from and infiltrate the United States a "technological blitzkrieg." The technologies targeted for stealing, Barr said in 2020, could be found in Beijing's "Made in China 2025" plan, which lays out core technologies the regime aspires to dominate in the future including artificial intelligence, pharma-

ceuticals, and aerospace. U.S. officials have also warned that by partnering with private enterprises and academic research institutions in the United States, the CCP could adroitly exploit research and technology being developed in the United States to the benefit of its own military, the People's Liberation

Likewise, FBI director Christopher Wray said in 2020 that almost half of the FBI's nearly 5,000 counterintelligence investigations were connected to China. In February, he said that over 2,000 cases were directly tied to CCP efforts to steal information or technology.

According to a November statement by the DOJ, roughly 80 percent of all its economic espionage charges concern cases

"The [CCP] have made no secret of their was broadly to counter national security desire to dominate the most cutting-edge technologies and industries, and they have directed their bureaucracies and officials to acquire those technologies through what-

ever means necessary," Heath said. The China Initiative was thus founded to root out hidden threats and prevent the CCP from gaining competitive advantage by stealing technology and trade secrets from U.S. firms, technology startups and research institutions.

Among the Initiative's successes are the arrest and conviction of ex-CIA operative Jerry Chun Shing Lee for leaking information regarding CIA activities to the CCP; Xu Yanjun, a Chinese intelligence officer who attempted to recruit spies in America and steal aviation technologies; Zheng Yan, who led a group that attempted to export military boats to China; and Xuehua Peng, who provided U.S. intelligence information to Chinese officials.

Such victories have made the program a valued tool for legislators concerned about malign CCP influence in the United States.

"As a former federal prosecutor who worked on counterintelligence threats from the CCP, I appreciated the prior administration's establishment of the DOJ's China Initiative to bring focus to this very real threat," said Rep. Michael McCaul (R-Texas) in an email.

McCaul pointed to statements made by Wray in January, when he said that a Chinarelated investigation counterintelligence was opened every 12 hours.

"Weakening our response to this threat would be a failure of law enforcement and another sign that this administration is retreating from those who wish us harm," McCaul said.

Part of Beijing's "whole-of-society" effort to obtain foreign technology involves the use of "non-traditional collectors," such as academics and company employees, according to the FBI. Such individuals have also been targeted by the initiative.

Such cases include those of Candace Claiborne, a public servant who traded State Department documents for gifts from the CCP; You Xiaorong, who stole trade secrets from her employer, Coca-Cola, for a Chinese business; and Li Chen and Yu Zhou, researchers who secretly established a company in China where they marketed products and services based on trade secrets they stole from their employer, the National Children's Hospital.

Further, a large number of researchers caught in the crosshairs of the DOJ were charged with procedural offenses, namely with lying about or failing to disclose their ties and funding arrangements with Chinese institutions. The most notable case was the December conviction of former chemistry chair Charles Lieber, who was found guilty of charges relating to lying about his links to the Chinese state-backed recruitment program "Thousand Talents Plan." While participation in the program is in itself legal, U.S. officials have described the plan as a conduit through which American technology and know-how are transferred to China.

In all, 24 China Initiative cases are based on charges related to making false statements, visa fraud, or wire fraud.

This cohort of cases concerning researchers has become a lightning rod of criticism, with some arguing that such targeting has been heavy handed, as well as unwarranted given the DOJ has apparently struggled to demonstrate that harm was done.

Many of the initiative's big-ticket cases have been marred by a series of apparently mishandled cases against researchers in the United States.

Most recently, the DOJ brought charges of fraud and lying on official documents against a Massachusetts Institute of Technology professor, Chen Gang, only to have them dismissed after prosecutors admitted back to mainland China, or was in Chifunding for his research.

In a separate incident, Tang Juan, a biology researcher at the University of California Davis, was arrested in July 2020 for allegedly lying on a visa application about her service with the PLA.

The FBI did not inform Tang of her rights during the arrest, however, including the right to refuse to answer questions, and her case was dismissed in July 2021 after she spent had 10 months between jail and

Likewise, the DOJ dropped its charges against five visiting Chinese scientists who were accused of lying about the extent of their ties to the Chinese military. It offered no explanation as to why the charges were

Lawmakers demanded to know what the cause was, but were told only that there were "recent developments." Others, meanwhile, expressed concerns that the program was being dismantled due to pressure from above by the Biden ad-

The DOJ's decision to abruptly drop several of its cases has also increased fears of tween China and the United States, and racial discrimination and an intelligence that it has frightened ethnic Chinese recommunity run amok, as critics of the program take the hastily put together cases as evidence of an anti-Chinese bias. As such, the initiative's targeting of academic researchers, the overwhelming majority of which have been ethnic Chinese, has come under intense fire.

There are yet efforts to maintain the program, however, amid a prevalent belief that it does in fact improve national security.

"The long reach of the Chinese Communist Party is a real and present danger to the United States," said Sen. Marco Rubio (R-Fla.) in an email. "Beijing is rabidly pursuing American secrets and seeking to gain

"The China Initiative is a step in the right direction to confronting this problem. While there is more work to be done, canceling the initiative altogether would leave us without a plan to confront Chinese espionage and sends a dangerous signal that the U.S. is not seriously focused on combating the Chinese Communist Party." along with DOJ officials in Washington on Feb. 10, 2020. the China Initiative does risk a negative effect on the amount of international scientific research being done in American universities, which could hurt the nation both economically and in terms of security

Attorney General William Barr participates in a press conference at the Department of Justice

Problems Both Real and Imagined

As the Initiative has drawn on, it has in-

creasingly been accused of mishandling

cases, fueling racism, and stifling innova-

tion. Some criticisms appear warranted,

For instance, several publications at-

tacked the program for a perceived lack

of results. Perhaps the most widely cited

of which was a study by the MIT Technol-

ogy Review, which cast the initiative as a

simultaneously bumbling, shadowy, and

that they still could result in conviction.

ther a guilty plea or a guilty verdict—mean-

ing that over three-quarters of those cases

Of those cases that have concluded, one

resulted in a pardon, one in a mistrial, one

in a settlement, two reached a deferred

prosecution agreement, nine were dis-

missed by the government, and 45 resulted

Another problem is the 70 cases that MIT

labeled simply as "pending with little ac-

tivity." These charges are unlikely to be

resolved any time soon, but not for lack

In most such cases the accused is cur-

rently considered a fugitive, and has fled

credit to the program, many alleged CCP

military-linked researchers fled the coun-

try after the U.S. government ramped up

investigations of PLA-tied students and

imposed visa restrictions targeting such

Concern over how the program is being

handled, fueled in no small part by the

claims of studies like that in the MIT re-

view, have created something of a culture

of fear in the academy, and particularly

among ethnically Chinese researchers and

To this end, Brown University President

Christina Paxson expressed concern that

tighter federal government scrutiny of links

with China among U.S. universities would

hinder research and ultimately undermine

Concerns About Race and Association

There are growing signs that public im-

pression of the program and its failed cases

against researchers has chilled the amount

A joint survey conducted by the Univer-

sity of Arizona and the Committee of 100,

a nonprofit group focused on improving

Sino-American relations, found that over

42 percent of scientists of Chinese heritage

felt racially profiled by the U.S. govern-

ment, compared to just eight percent of

non-Chinese surveyed. More than half of

Chinese scientists felt fear or anxiety about

being surveilled by the U.S. government.

Among Chinese scientists in America

who conducted research that involved

China in the last three years, over 40 per-

cent actively worked to limit their collabo-

ration with counterparts in China. Out of

that number, 61 percent said they did so

specifically because of the China Initiative.

Further, 42 percent of Chinese scientists

said that they were now considering ending

their time in the United States because of

Thus, regardless of its positive effects on

of international research being done be-

the American economy.

searchers in America.

have concluded in a DOJ victory.

in a guilty plea or verdict.

of evidence.

sulted in a conviction.

This is due to two interrelated factors. The first being that, by losing the talent of Chinese researchers who would otherwise come to the United States, the United States is preventing itself from drawing all the best talent that it can.

failed attempt to improve national security. The second is that, by remaining in Chi-That study drew fury towards the prona, whatever research those Chinese regram by implying that it was failing to find searchers conduct will invariably fall into wrongdoing. Its authors stressed that "less the hands of the CCP, which maintains a than a third" of the initiative's cases repolicy of military-civil fusion which explicitly states that civilian technology and Those findings are misleading, however. research must be to the benefit of the Chi-Indeed, the assertion obfuscates the fact nese military.

A commentary published by the CATO that some 48 percent of the cases documented by the MIT Technology Review Institute, a libertarian think tank, expounded on this idea by defining the have not been concluded at all, meaning problem of the China Initiative in terms Indeed, of the 59 cases listed by MIT as of freedom of association. having been concluded, 45 resulted in ei-

It argued that, because the initiative apparently sought to charge researchers for their association to entities that may present a threat to national security, rather than actually being a threat themselves, the program was undermining the right to freedom of association, which has long been recognized as a covered under the

the CCP's military-civil fusion, it is impossible to tell what is military and what is civilian because everything is both simultaneously.

This makes the process of defining appropriate and inappropriate associations very difficult, as is well documented in the in racial discrimination during the concase of MIT's Chen Gang. Even though the ducting of its China Initiative. The program they could not prove that Chen had hidden na the entire time, like the spate of Chi-DOJ dropped all charges against Chen, the has, indeed, highlighted numerous vital ties to China when seeking federal grant nese state-sponsored hackers charged in Commerce Department's Bureau of Industhreats to national security in the form of the past few years. Perhaps as a point of try and Security put the Chinese depart- CCP infiltration into civilian sectors. ment that Chen had been working with on its "unverified list," making it more difficult for anyone in the United States to continue working with it.

> of the concept of free association: If a department in China is working to steal from the United States, ought a U.S.-based researcher be held accountable for working with them, even if they had no knowledge of such motive?

> Moreover, if the CCP is primarily associating with ethnically Chinese researchers, how can the DOJ prevent racial bias in its

The CCP Intentionally Targets Ethnic

In addition to whom the Initiative is targeting is the less spoken of but equally important issue if why they are being targeted.

The vast majority of those charged under the initiative are ethnically Chinese. It is a the security of the nation. To achieve that, simple fact that, according to Heath, would the DOJ merely needed to clearly and unbe immensely difficult to get around precisely because the CCP makes a concerted effort to pressure, implicate, and control people of Chinese descent.

"Certainly, I agree with critics that you have to manage the program in a responsible way and avoid as much as possible unnecessarily discriminatory and provocative accusations," Heath said.

"It's tough, you know. It gets to an issue and that is to target ethnic Chinese people, who the PLA targets. That is who the Chinese government targets."

Initiative cases are against individuals alleged to be part of Operation Fox Hunt, a covert CCP program launched in 2014 that aims to harass, surveil, and intimidate Chinese citizens living overseas.

or intimidate ethnic Chinese abroad. In one such case, Chinese agent Xu Yanjun is alleged to have downloaded 200 family national security in the immediate term, photos of a GE employee, whose family is in



Charles Lieber leaves federal court after he and two Chinese nationals were charged with lying about their alleged links to the Chinese government, in Boston on Jan. 30, 2020.

China, in an effort to coerce the employee into becoming a spy.

"They try to play on a sense of ethnic kinship, and they exploit any cultural background that's related to China to recruit and influence people," Heath said. "Therefore, you just can't avoid that that is going to be an issue when you try to counter those types of efforts, because the same people will be the subject of scrutiny."

Heath said that, despite the current difficulties, there were paths forward to both ease tensions and increase inclusion of ethnic Chinese in America while still combatting malicious foreign influence.

"One helpful thing is that the Initiative has drawn attention to a problem that I don't think previously got a lot of attention, and that was the efforts of the Chinese government to coopt, subvert, and recruit Americans of ethnic Chinese heritage," Heath said.

"I think a way to try to counter... unfair suspicion, discrimination and prejudice, is to publicize what we know about the [CCP] strategies and efforts to target ethnic Chi-

nese people," Heath added. But he also stressed that agents for the CCP were never restricted to any one race.

"Just bringing to attention to the public that the threat is the Chinese government, and not ethnic Chinese people, and that anybody can be an agent [would help]," Heath said. "It's not just Chinese people. It To be sure, the lines do blur. Because of can be white people, it can be black people, it can be anybody."

A Necessary Effort, but Reform is

No hard evidence has been brought forward to suggest that the DOJ has engaged

The China Initiative does appear, however, to fail to meet basic standards of transparency expected by any free society, and its method of charging individuals with-The incident raises questions at the crux out clear evidence and dismissing some charges without clearly stating its reasons gives critics reason enough to question its

competency in pursuing the matter. Until such transparency is achieved, ethnic Chinese in America may feel caught between two hunts.

On one side is the CCP's effort to coerce and intimidate them into working against the United States and to subvert their will to that of the CCP. On the other is a fear of being wrongfully caught up in the United States' frantic efforts to prevent anyone and everyone from association with CCPsponsored individuals and institutions.

At the end of the day, Heath believed that the initiative could continue its successes, mitigate its failings, and further improve ambiguously state how its efforts were designed, not to question Chinese in America, but to protect them.

"[By] messaging the importance of standing up with Chinese Americans, political leadership can clarify... to Chinese Americans and send the message that Chinese Americans are an asset to America, not a suspicious group," Heath said.

"The more the U.S. government and Juswith the Chinese approach to espionage, tice Department puts out that message, I think the better it helps clarify what they're and it's hard to get around that fact. That is trying to do and clarifies the message that it's the CCP that is the issue."

"Chinese Americans are our people," Indeed, ten of the DOJ's ongoing China Heath added. "They are no different than anybody else... They're Americans and the government has an interest in helping to protect them from foreign influence and that's what it's trying to do."

In these cases, the accused are alleged to Andrew Thornebrooke is a reporter for issues with a focus on defense, military affairs, and national security. He holds a master's in military history from Norwich

Who is Targeted and Why?

The China Initiative has leveled charges against at least 162 individuals to date and most of the associated legal battles are still

MIT TECHNOLOGY REVIEW

MIT TECHNOLOGY REVIEW RESULT OF CONCLUDED CHINA INITIATIVE CASES

The results of concluded China Initiative cases as of Feb. 22 2022.

STATUS OF KNOWN CHINA INITIATIVE CASES Pending (Little Activity)

The status of unconcluded China Initiative cases as of Feb. 22 2022.

HUMAN RIGHTS

'My Heart Aches Watching This': Athletes Speak Out on Human

Rights as Beijing Olympics Come to an End

EVA FU

ad it been up to him, Latvia's luge coach Martins Rubenis would never have made the trip to the Beijing Winter Olympic Games. Indeed, he didn't know if he would even be allowed into China until the very last moment.

A two-time Olympic bronze medalist, Rubenis was already known to the Chinese Embassy in Latvia after more than 15 years of advocacy for China's human rights.

In 2006, he staged a hunger strike in front of the site, the same year he won bronze for his country at the Torino Olympics. He was protesting the Chinese regime's statesanctioned organ harvesting, which targets imprisoned adherents of Falun Gong (also known as Falun Dafa), a spiritual practice Rubenis shares, which has been persecuted in China for decades.

flight to China and knowing that people like me practicing Falun Dafa are held in detention centers, tortured, and killed just for following principles of truthfulness, compassion, and tolerance," he told The Epoch Times on Feb. 18 upon returning

> he saw it as his "obligation."

China might help their voices to be heard, and this brutal persecution to end soon," he said, referring to imprisoned Falun Gong adherents, some of whom were jailed in prison camps just miles away from Olympic venues, according to the Falun Dafa Information Center.

home from China.

Rubenis didn't wait long after his team finished competing in the Games to open

Standing steps away from Chinese police officers on Feb. 7, he called the Beijing Games "a huge political theater," telling Latvian media that it would have been a completely different feeling if the Olympics had taken place anywhere else in the world.

"This is a huge 'spectacle,' and for me, as an Olympian, my heart aches watching this," he said, delving into his views about the regime's "inhumane" organ harvesting and the "oppression of its good, kindhearted people.

It was a daring move on Rubenis's part, knowing the regime's retaliatory tendency. Within a day, the president of the Latvian Olympic Committee was invited to the Chinese Embassy in Riga—for the second time since Rubenis's 2006 hunger strike—"to "It was not an easy feeling getting on the be 'educated' on how to silence the team members for 'wrong thinking,'" he told The Epoch Times.

> Luckily for Rubenis, the committee stood up for him, arguing that team members have a right to be vocal on matters that are important to them. Rubenis believes their support helped ensure his coming home

He had taken the risk, he said, because

"At that moment, I was not afraid at all," he said regarding talking to the Latvian

"I knew that whatever happens to me in

"It's really important for people from free countries and people who understand what's really going on in China to speak out," he said in a separate interview with NTD on Feb. 18. "Be it outside China or inside China, the fact doesn't change.'



Olympic medalist Martins Rubenis holds up the Human Rights Torch at the official opening of the Global Human Rights Torch Relay in Athens, Greece, on the evening of Aug. 9, 2007.

'Do My Job' and 'Never Go Back' Olympics, had been debating whether to Sportbladet.

It was not an easy feeling getting on the flight to China and knowing that people like me practicing Falun Dafa are held in detention centers, tortured, and killed just for following principles of truthfulness,

compassion, and tol-

Latvian luge team

But others who hold critical views about the

regime have chosen to take extra caution and kept their mouths shut while within the influence of the Chinese Communist Party (CCP)—a perhaps unsurprising move given the regime's highly restrictive laws policing speech both online and offline, and with Beijing not-so-subtly hinting about ejecting athletes from the Games for speaking out on human rights.

German luge gold medalist Natalie Geisenberger, who was sharply critical of China prior to the Games, said she would make comments only after leaving the

"You have to be careful when you say what and where you say it," she told reporters three days before leaving Beijing.

Until the last minute, Geisenberger, who took her third luge gold medal at the Beijing skip the Games over the regime's human rights record and the poor treatment athletes received when training there in the

The 34-year-old made up her mind to participate only on Jan. 17, two weeks before the event opened.

Her boycott alone "wouldn't change anything," she told German broadcaster ZDF after flying back, recounting her sense of powerlessness.

She resolved that she would "go there for two weeks, do my job, go home, and never go back to China," she said.

Swedish speed skater Nils van der Poel, who won two gold medals in Beijing, also had some blistering parting words for the

The Olympic Village "was very nice, the Chinese people I met were absolutely amazing," he said, before drawing a parallel to 1930s Germany. "The Olympics is a lot, it's a fantastic sporting event where you unite the world and nations meet. But so did Hitler before invading Poland, and so did Russia before invading Ukraine.

"I think it is extremely irresponsible to give it to a country that violates human rights as blatantly as the Chinese regime is doing."

Rubenis grew up in the Soviet Union, "where every step, every move, and every person you meet" were carefully choreographed to spread "how communism is great" to foreign visitors.

He watched the Olympic opening cer-The decision to award Beijing the Games emony inside the isolated Olympic Village was "terrible," he told Swedish newspaper or, in his words, a "civilized detention cenNatalie Geisenberger of Team Germany reacts

LONGTREKHOME/FLICKE

irresponsible to give

it to a country that

as blatantly as the

Chinese regime is

Nils van der Poel, speed

skater, Sweden

doing.

violates human rights

after winning gold during the Luge Team Relay on day six of the Beijing 2022 Winter Olympics at National Sliding Center in Yanqing, China, on Feb. 10, 2022.



Gold medalist Nils van der Poel of Team Sweden celebrates during the Men's 10,000 meter flower ceremony after setting a new world record time of 12:30.74 on day seven of the Beijing 2022 Winter Olympic Games at National Speed Skating Oval in Beijing on Feb. 11, 2022

ter" surrounded by security cameras, just to see "what our Chinese Communist Party I think it is extremely was trying to show with this event."

> show, but a show without meaning. "Even the Olympic torch flame was so small that you could barely see it, same as the size of the Olympic spirit dying out

"It was empty," he said. "It was kind of a

Having collaboration of any kind with the CCP, he said, means "supporting the evil and, at the same time, having blood on the hands."

"Keep away from that sinking ship. Because when it sinks, everybody who has connection with that will be drawn down,"

"Stay away from the CCP, and it will die

David Zhang contributed to this report.

ORGAN HARVESTING

Bronze medalist Martins Rubenis of Latvia celebrates during a

2006 Winter Olympics medal ceremony in Turin, Italy, on Feb.

A 'Perfect Crime' Leaving No Survivors: Investigators Detail China's Grisly Organ Harvesting Industry

EVA FU

They were in robust health when they were put on the operating table for doctors to carve out their organs. Many of them were still breathing. When the job was done, the bodies were tossed into the incinerator and burned, leaving no trace

for prisoners of conscience in China under the regime's state-sanctioned forced organ harvesting, recounted by two investigators at a Feb. 17 virtual webinar hosted by Washington-based think tank Hudson Institute.

"There was no charge, no hearing, no appeal," said David Kilgour, Canada's former secretary of state for Asia-Pacific, who, together with Canadian human rights lawyer David Matas, spent years investigating the issue.

"A policeman just simply said: 'You're going to this work camp over here.' ... You waited, working 16 hours a day," he said. "Then one day somebody would come in, seize them, give them a little potassium, and then their organs would be taken out and their bodies would be burned."

"That's how the rule of law works in China in terms of getting organs."

It's a "perfect crime, because there actually aren't any survivors" of the operation, added moderator Nina Shea, a human rights lawyer and former commissioner of the U.S. Commission on International Religious Freedom, now a senior fellow at the Hudson Institute.



Falun Gong practitioners take part in a parade marking the 22nd year of the persecution of Falun Gong in China, in Brooklyn, N.Y., on July 18, 2021.

The billion-dollar organ harvesting industry, which boomed at the same time the regime escalated a brutal eradication campaign targeting the spiritual group Falun Gong in the early 2000s, has for decades been covered up in China.

Even in the West, officials and medical bodies have been reluctant to confront the issue until 2019, when an independent people's tribunal in London concluded "beyond a reasonable doubt" that organ harvesting sourcing from Falun Gong inmates has taken place for years "on a significant scale."

Annie (an alias), a former worker at a Chinese hospital in northeastern China, was the first to shed light on the horrific abuse in 2006. In testimonies to The Epoch Times later corroborated by others, she revealed how her ex-husband, a military surgeon at the same hospital, forcibly removed corneas from Falun Gong

Her account was what brought the two Davids together to investigate the issue. They later released a report titled "Bloody Harvest," where they examined hundreds of hospitals in China, drawing from media reports, medical journals, and archives. Their findings were that the Chinese regime had been using Falun Gong adherents as a living organ bank while significantly undercounting the number of transplants done each year.

Annie's husband performed over 2,000 cornea removal operations over a twoyear period beginning in 2001, she later told the two in an interview. He was so tormented by his conscience that he began having nightmares, arousing Annie's suspicion.

The two split after Annie decided she couldn't accept his complicity in the act. Both of them escaped overseas after receiving threats on their lives.

"This is a national crime," she said in a statement to The Epoch Times in April

Annie's ex-husband felt a deep sense of remorse when he cut open a patient's clothes and saw a small box fall out, according to Annie, who read the account in a journal her ex-husband kept. The small box contained a round Falun Gong pin along with a note written on paper.

"Happy birthday, Mom," it read. Despite the defection of Annie and sev-

eral others, the organ harvesting machinery has continued to operate, attracting transplant tourists from around the world who are lured by promises from Chinese hospitals of speedy organ matches and

"Everywhere else, there's a shortage of organs, and organs are allocated depending on priorities, but in China, the whole

system was run as if there was an inexhaustible supply of organs," said Matas. "All they had to do was show up and pay the money."

"The whole system is compartmentalized, and everybody would pretend to be willfully blind to the other components of the system," he said.

Kilgour recalled speaking to a patient from Asia who was presented with four matching kidneys in succession over a few months. The first three kidneys were rejected by his body, and the fourth one was a success. The doctor, who wore a military uniform, presented the first matching kid ney shortly after their first meeting.

"They take all the organs, they don't just take one kidney," said Kilgour. "So four people died so that this man could get a good kidney. Isn't that incredible?"

Two dozen counties in Virginia have recently passed resolutions to condemn China's organ harvesting and urge their residents against taking part in organ tourism in the country. The Texas state Senate has passed similar resolutions.

Some U.S. officials are seeking action in Congress to bring the perpetrators to

The two investigators agreed that international bodies need to do more on the issue. Kilgour said he was embarrassed that Canada hasn't passed any legislation on organ harvesting.

"There's a few, but not enough," said Matas, urging countries to cut off collaboration of any kind with the Chinese transplant system.



A re-enactment of organ harvesting in China on Falun Gong practitioners,



(L-R) David Kilgour, David Matas, and Ethan Gutmann, authors of "Bloody Harvest/The Slaughter: An Update," in this file photo.



Whistleblower Annie at a press conference in Washington, D.C., on April 20, 2006. It was her first public testimony about large scale organ harvesting atrocities in China.

Everywhere else, there's a shortage of organs, and organs are allocated depending on priorities, but in China, the whole system was run as if there was an inexhaustible supply of organ.

David Matas, Canadian human rights lawyer

SECURITY

Chinese Agribusiness Poised to Open Factory in North Dakota Draws Scrutiny Over CCP Ties, Security Risks

J.M. PHELPS

China-based bio-fermentation company coming to the United States is being touted as a win for the local economy, but there's growing concern over its national security implications and potential ties to forced labor.

The Epoch Times spoke to Ross Kennedy, founder of Fortis Analysis, about his research concerning China-based company Fufeng Group, which is poised to set up shop in the Midwestern United States. Fufeng is a manufacturer of bio-fermented, corn-derived products, which are used in end products ranging from animal feed to pharmaceuticals. A Hong Kong-listed company, the group has multiple subsidiaries around the world, but most of its production facilities are in northeast China.

In early November 2021, it was announced that Fufeng Group was in negotiations to bring its agribusiness company to Grand Forks, North Dakota. The new plant, which would use a manufacturing process revolving around the fermentation of cornstarch, is expected to consume about 25 million bushels of corn per year. The cost of construction is estimated to be about \$350 million.

Framed as a "historic" investment and game-changer for area farmers, the prospective project has been described as "the largest single private capital investment in the region's history," according to Keith Lund of the Grand Forks Region Economic Development Corporation. On Jan. 12, city officials tentatively approved significant tax breaks for Fufeng Group, the Grand Forks Herald reported.

This Chinese company may be coming into Grand Forks under the guise of setting up a food nutrient and additive manufacturing facility, but could be setting up the ability to passively and actively monitor one of the nation's most valuable assets.

Ross Kennedy, founder, Fortis Analysis

The future plant will be a "wet corn milling" facility and is expected to be fully operational by 2024 or 2025, local media outlets reported. The company will produce corn gluten meal, corn gluten feed, lysine, and threonine for predominant use in animal feed products.

The Grand Forks City Council is due to vote at a Feb. 22 meeting on whether to approve the deal, where it's widely expected to greenlight the project. A meeting on March 7 would finalize the agreement, bringing the project into the next phase of obtaining permits and construction.

While local economic experts are optimistic, others are concerned about the effects the facility could have on the environment. Some observers and residents have voiced concern about the human rights and security implications of dealing with a Chinese company amid rising Western scrutiny over the Chinese Communist Party's (CCP) abuses, including its forced labor of Uyghurs in Xinjiang, China.

Grand Forks Herald, Diana Hoverson said



A Chinese worker sweeps the grounds at a chemical factory in Yichang, Hubei Province, China, on Aug. 30, 2016.

with the devil!" To that end, Kennedy said he has many of the same concerns. The initial goal of his research into Fufeng was to simply look for possible ties to Uyghur forced labor, but his discoveries quickly escalated, which raised what he described as a "frightening issue of national security."

Ties to the CCP

Li Xuechun has been the top executive at Fufeng Group since November 2016, fulfilling the roles of the company's principal founder, executive director, and chairman. He's also the controlling shareholder of the

Li once served as a member of the People's Congress of Shandong Province, China. The People's Congress is a rubberstamp legislature of the CCP. Kennedy said Li served in this position for five years.

In 2003, Li was honored for "outstanding achievement" by Shandong provincial authorities, which Kennedy said reveals that "he embodies the synthesis of economic In a Jan. 31 letter to the editor of the and political goals of the Shandong region

U.S. AIR FORCE PHOTO BY TECH. SGT. JOHNNY SALDIVA

it "sounds like North Dakota is ready to deal The founder's links to the CCP merit scruhave been "regions of strategic and regions of strategic an tiny, according to Kennedy, given that the al security importance." firm is set to establish its first base in the

> In response to a question from The Epoch Times regarding Li's ties to the CCP, Brandon Bochenski, mayor of Grand Forks, said the project has been approached with "a high level of due diligence."

> "We have been in contact with our Governor, ND [North Dakota] state agencies, U.S. Senators, and U.S. House Representative regarding the project," Bochenski said in an emailed statement.

> "We see economic benefits of a new wetcorn milling facility in the region. We are doing as much due diligence as possible and look to the appropriate federal agencies for national security insights and di-

National Security Threat? National security is a key concern for Kennedy, who said the regime has become "very involved in major infrastructure projects" around the world in recent years, noting that some of their chosen locations

The fact that the agreed location is only 13 miles from North Dakota's Grand Forks Air Force Base (AFB) is one concern.

"The property in question is 370 acres and has a direct line of sight" to the airbase, Kennedy said.

Starting in 2023, Grand Forks AFB will undergo construction and renovations to enable the base to become a future leader of intelligence, surveillance, and reconnaissance (ISR) operations. ISR operations often involve various clandestine activities, such as drone or satellite surveillance, to monitor global threats.

With a goal to complete the Fufeng facility by mid-2024, Kennedy believes that Grand Forks, North Dakota, was likely the Chinese regime's target all along.

"This Chinese company may be coming into Grand Forks under the guise of setting up a food nutrient and additive manufacturing facility, but could be setting up the ability to passively and actively monitor one of the nation's most valuable assets,"



Workers walk by the perimeter fence of what is officially known as a vocational skills education



center in Dabancheng, Xinjiang, China, on Sept. 4, 2018.

going to and from this location, and when there's direct line of sight to the receiving or transmitting facility, the options get an awful lot better for anyone to begin to cre-

It's the modus operandi of how the Chinese regime works; taking advantage of nearly any opportunity to infiltrate society and steal intellectual property and more.

John Lenkart, retired senior executive, FBI

ate traps for that data."

Kennedy is also concerned about nefarious actors being able to monitor the physical movement of people, equipment, and aircraft to and from the base.

John Lenkart, a retired senior executive at the FBI who was once responsible for counterintelligence threats posed by Chinese telecom companies, expressed some of the same concerns. He told The Epoch Times that the 13-mile distance of the facility to Grand Forks AFB is "a bit of a stretch" for gathering communications data, but he doesn't rule out the possibility. In fact, he suspects that the Chinese regime could "find ways to get closer to the base without much notice.'

But what any loyalist to the Chinese regime could easily retrieve are the flight patterns of aircraft or any other surveillance related to movement to and from the base, according to Lenkart.

"Members of the Chinese regime have proven themselves smart enough to find efficient ways to accomplish this while operating under commercial cover," he said. Human intelligence operations are far from out of the question, Lenkart said. With a population of 56,500 people, Grand Forks

is the largest city near the airbase.

"The Chinese regime could put people on the ground, in the city, to gather intel from senior enlisted officers and commissioned officers alike," he said. "It's this kind of personnel who will be living in and milling about the city on any given day.

nese regime works; taking advantage of nearly any opportunity to infiltrate society and steal intellectual property and more.' Sen. Kevin Cramer (R-N.D.) recently ex-

"It's the modus operandi of how the Chi-

pressed similar concerns.

"The critical missions our military executes at Grand Forks Air Force Base must be protected," Cramer said in a statement to the Grand Forks Herald. "The jobs and economic benefits for Grand Forks and North Dakota farmers must be balanced with the long-term concerns of China infiltrating our food supply chains."

For Cramer, the Fufeng Group project "requires due diligence," because "China is not a reliable partner."

Kennedy agrees with that assessment.

"With all things considered, the local government and Grand Forks Air Force Base cannot afford to assume the best" about China, he said.

Bochenski said he has taken some precautions concerning the facility's proximity to the airbase. He said the city has "been in contact with the Wing Commander of the 319th Reconnaissance Wing, who has assured us the company will be vetted at a higher level within the Air Force and appropriate national security departments."

The U.S. Air Force didn't return an inquiry from The Epoch Times.

Forced Labor Concerns

Fufeng Group has denied that it or any of its subsidiaries has used Uyghur forced labor and has produced a June 2021 third party audit of its only plant in Xinjiang the Xinjiang Fufeng Biotechnologies facility—which didn't identify any use of forced labor.

The issue of Uyghur forced labor has drawn rising scrutiny in recent years amid mounting research showing its use in various industries in Xinjiang, from cotton to materials for solar panels. The Chinese communist regime has detained more than 1 million Uyghurs and other Muslim minorities in the region, subjecting them to forced labor, political indoctrination, torture, and other forms of abuse, in a campaign labeled as a genocide by the U.S. government and multiple Western parliaments.

In 2021, the United States became the first country to ban all imports from Xinjiang over forced labor concerns. Bochenski welcomed the measure and pointed to the third party Sedex Members Ethical Trade Report (SMETA) conducted on Fufeng's Xinjiang plant as evidence of its compliance.

Yet Kennedy, who reviewed the 80-page report, isn't entirely convinced by the audit findings, which he described as "whistle

Having done business in China for almost two decades and being familiar with the conditions of many of its factories, particularly those involved in making chemicals and biological products, Kennedy said he doesn't rule out a biased report, one that would assure Western stakeholders in the Grand Forks facility that there were no ties to forced labor or otherwise poor working

The primary reason for his concern is the location of the Xinjiang factory. Slightly west of the Urumqi Export Processing Zone, he said Xinjiang Fufeng Biotechnologies is located about 1.5 miles from a known Uyghur forced labor and detention facility—the Toutunhe Facility #2.

Kennedy also reviewed the company's employment and financial records. SMETA reported that there were "708 permanent employees in the factory" at the time of

"Having had an opportunity to take into account the number of laborers and the cost of labor, the numbers simply don't pencil out," he said.

Kennedy also pointed to a photo provided by SMETA on page 77 of the report that he found odd for a modern facility.

"In a package room photo, there are a bunch of 25-kilogram bags on the floor, [and] someone can be seen filling them and sealing them by hand—not by automation," he said.

This kind of labor-intensive work would warrant the need for the large number of laborers and this further heightens his concern about "shady labor practices," he said. Fufeng USA didn't return a request for

J.M. Phelps is a writer and researcher of both Islamist and Chinese threats.



Villas of real estate property "Viva Villa" developed by Ping An Real Estate are seen under construction in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, China, on June 20, 2019.

OPINION

China to Boost Real Estate

Woes deepen for property developers and local government budgets

FAN YU

As China's real estate sector woes deepen, hitting developers and local budgets, policy support from Beijing is on its way.

The Chinese Communist Party (CCP) has mobilized its so-called national asset managers to support its tottering real estate developers and avert a full-on property market

The asset management companies, which include China Huarong Asset Management, China Cinda Asset Management, China Great Wall Asset Management, and China Orient Asset Management, were originally set up in the 1990s after the Asian financial crisis in order to buy bad loans from Chinese commercial banks' balance sheets.

More recently, Bloomberg reported that these asset managers were told by the CCP to actively participate developers that need funding and to acquire loans and projects from developers to free up cash and avoid further defaults.

Huarong had been mired in its own crisis until recently. After years of making questionable acquisitions, Huarong's former Chairman Lai Xiaomin was executed in January 2021 for various malfeasance, including bribery.

What's interesting is that while regulators have urged the managers to engage developers on an armslength basis and to comply with financial risk management, apparently making a "profit" on the real estate deals is of secondary concern according to the report.

Separately, China's Cailian news agency revealed in February that many central state-owned enterprises (SOE) are scouring for deals, from negotiating real estate project acquisitions to mergers and acquisi tions with developers. Thus far, the SOEs have been averse to taking on too much risk—not many deals have been announced—but a call from CCP headquarters could speed up the process.

This development suggests that Beijing has been less than impressed with the liquidity management efforts by real estate developers such as Shimao, Evergrande, Sunac, and Country Garden. Developers have been unable to sell properties quickly enough to free up cash to continue funding new projects.

Initial data from January shows that the sales of new homes were anywhere from 10 percent to 80 percent lower than the same month in 2021 for more than a dozen Chinese developers, which were hit by both lower contracts and lower contract-

ed prices. That puts a tough strain on cash flow, which is required to begin and continue existing projects.

Developers have also been facing a credit crunch. Property develop-

ers raised 70 percent less in bond financing in January compared to January 2021. The offshore dollardenominated debt market, catering to foreign investors, has been frozen since a slew of defaults in 2021 and downgrades by international credit

rating firms. While Beijing regulators have slowly loosened restrictions on leverage for property developers, the engagement by bad debt managers and other SOEs suggests that the industry is in an even weaker position

than originally thought. Aside from developers and home buyers, local governments have been collateral damage to China's

real estate market issues. We've previously said land sales and land use leases to real estate firms make up a large portion of local government revenues. And initial readings from 2022 could spell trouble for government coffers. Local and regional governments, like property developers, are also hugely indebted and have high debt

A potential reprieve on the horizon is property taxes, which China has been piloting across several cities. But is it enough? If the newly released plans of Shanghai's property tax regime are anything to go by, the answer is that it's unlikely.

While Beijing regulators have slowly loosened restrictions on leverage for property developers, the engagement by bad debt managers and other SOEs suggests that the industry is in even weaker position than originally thought.

Taxes are only levied on properties bought in 2011 or later. For homes purchased after 2011, there's a 60 square meter (645 square foot) exemption per capita. Then there's another 30 percent cut on the remaining taxable area. The truly taxable real estate area is then taxed at a 0.6 percent rate on the price paid per square foot.

Perhaps that's a large sum for a city as densely populated as Shanghai, but it's hardly a windfall for most municipalities.

Will these efforts be enough to calm the market jitters, or are they merely reordering chairs on the Titanic? Time will tell.

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

Fan Yu is an expert in finance and economics and has contributed anal-

yses on China's economy since 2015.



An RQ-4 Global Hawk lands at Grand Forks Air Force Base in North Dakota on May 26, 2011.

8 | CHINA INSIDER



Could Seeking the Truth and Upholding Tradition Be a Full-Time Job?

It is just that at The Epoch Times.

We are the fastest-growing independent news outlet in America. And we are hiring.

Do you have what it takes to work with us on this epic journey? There is only one way to find out. Apply by sending an email with your résumé and a cover letter to one of the addresses below.

To learn more about the positions, visit www.TheEpochTimes.com/c-job-openings

US Regional Reporter *Full-Time*

- Cover local and state news of national relevance
- Positions available in every U.S. state
- Requirements: a bachelor's degree and two years of experience as a professional reporter.
- To apply, send your résumé, cover letter, and three or more samples of your work to careers@epochtimes.com

Senior Reporter

- Cover an assigned beat, including a variety of U.S. national topics and world news
- Requirements: a bachelor's degree in journalism or a related field and five years of experience as a professional reporter
- To apply, send your résumé, cover letter, and three or more samples of your work to careers@epochtimes.com

New York Reporter Full-Time

- Cover news on one of a number of assigned beats, including City Hall, police, schools and
- transportation
 Requirements: a bachelor's degree in journalism or a related field and two years of experience
- as a professional reporter

 To apply, send your résumé, cover letter, and three or more samples of your work to careers@epochtimes.com

Economics and Business Reporter

- Cover economics, business and finance news
- Bachelor's degree and two or more years of journalism experience, preferably with a focus on business/economics
- To apply, send your résumé, a cover letter, two or more samples of your work, and three references to business@epochtimes.com

Breaking News Reporter

- Cover breaking news in the United States and around the world
- At least 2 years of experience in news reporting
- Send your résumé, a cover letter, two or more samples of your work, and three references to newsroom@epochtimes.com

China Columnist Freelance

Contribute sharp-eyed commentaries and analysis on

the latest hot-button issues related to China

• We are especially interested in work that can provide insight into the Chinese regime's global

ambitions, the latest issues

affecting Chinese society and

- economy, and China-U.S. competition
 Requirement: Expertise in a
- field related to China, including experience in conducting independent research or research for a think tank or nonprofit, or having a professional background related to China, such as military experience or analyst experience
- To apply, send your author bio, two or more samples of your work, and pitch an idea for an article to djyeditor@epochtimes.com

China Reporter Freelance

experience

- Cover topics related to China
 Requirement: at least two years of professional journalism
- To apply, send your résumé, cover letter, two or more samples of your news writing, and pitch a story idea to djyeditor@epochtimes.com

Australia Reporter

- Cover local, national and Pacific news in Australia
- A bachelor's degree and one year of professional news writing required.
- To apply, send your résumé, two references, a cover letter, and samples of your work to hr@epochtimes.com.au

Wire Editor, US or Australia

- Edit and publish wire content as well as content from partner providers
- To apply, send your résumé, a cover letter, two or more samples of your work, and three references to newsroom@epochtimes.com

Travel Editor

- Shape and execute travel content strategy, manage day-to-day operations, work with staff and freelancers, and offer our audience travel stories that inspire and inform
- A minimum of five years experience in journalism, with at least two years' experience editing travel
- To apply, send your résumé, a cover letter, two or more samples of your work, and three references to channaly. philipp@epochtimes.com

Magazine Layout Designer

- Design and layout magazines and other print and digital products
- Requirements: bachelor's degree in graphic design or marketing and two or more years of related experience; advanced knowledge of Adobe Indesign, Illustrator, and Photoshop
- To apply, send your résumé, a cover letter, portfolio, and three references to careers@epochtimes.com

Assistant Food Editor

- Help shape and execute food content strategy, build and work with a team of writers, and manage day-to-day operations, including editing and occasionally writing a wide range of food and cooking
- articles for web and print
 Requirement: four or more years of journalism experience, with at least two years of experience in editing food content, including developing and editing recipes
- Professional cooking experience preferred, including culinary school, restaurant or catering jobs, and test kitchen work
- To apply, send your résumé, a cover letter, three to five samples of your work to food@epochtimes.com

Food Reporter

- Write feature articles about timehonored culinary traditions and recipes, from across the U.S. and around the world
- Requirement: two years
 of professional journalism
 experience, preferably with
 a focus on food. Professional
 cooking and/or recipe
 development experience is a plus.
- To apply, send your author bio or résumé, three to five samples of previously published work, and 1 to 3 story pitches to food@epochtimes.com

Cartoonist *Freelance*

- Create series of cartoons that amuse, educate, or entertain readers
- Develop ideas relevant to the U.S.—based on the content of SpecterOfCommunism.org
- Work alongside editor/publisher's
- representative on ideas

 Contact kwang@epochtimes.com



We are an equal opportunity employer and all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, national origin, gender identity, disability, protected veteran status, or any other characteristic protected by law. We will consider for employment qualified applicants with criminal histories consistent with applicable law.