

THE EPOCH TIMES

CHINA INSIDER

BOOKBY/SHUTTERSTOCK

'LARGEST THREAT TO THE WEST'

KYLE BASS SOUNDS ALARM ON
CHINA'S DIGITAL CURRENCY

See Page 5

HECTOR RETAMALL/AFP VIA GETTY IMAGES

A worker, wearing personal protective equipment, walks on a street at night during a COVID-19 lockdown in the Jing'an district in Shanghai on April 10, 2022.

PANDEMIC RESPONSE

Accounts of Suffering, Starvation Mount in Locked-Down Shanghai

Beijing's hardline COVID-19 response pushes city's residents to the brink

EVA FU

After four days of trying to order food online to no avail, a man of about 30 from Shanghai's Yangpu district called the police. The sealed-in resident wanted to know if he would get fed if he charged out of his residential compound and got arrested for breaking quarantine rules.

His food purchase placed through the local neighborhood committee six days earlier had never arrived, and the hunger was giving him stomach cramps, he said.

"The neighborhood committee told me to endure. I have endured four days. All that's edible is gone except for water," he told the police in a call, the recording of which he later posted online. "Every evening, when I tune in to the news at 7 p.m., all is portrayed as peaceful and well and brimming with a sense of security. I don't know about this security."

But the police's answer dashed any hopes for a food source. Even if he got arrested, they would just send him right back home, the officer said, noting that the police station couldn't accommodate him either.

The man's desperate attempt to fend off starvation represents a microcosm of the suffering experienced by many residents in Shanghai amid a lockdown that the communist regime has imposed, insisting that it's the key to containing a surging Omicron outbreak. Residents in some districts have been sealed inside their homes for more than a month.

City authorities only started easing lockdowns on April 11, under mounting pressure. But the hardline policies have crippled the city's economy and wreaked havoc. In the Chinese financial hub that's home to 26 million people, feelings of hunger, frustration, and des-

When Vice Premier Sun Chunlan visited Shanghai, she was greeted by residents shouting from their apartment windows that they were 'starving to death' and demanding that food be sent over.

(Bottom Left) Police and officials wearing protective gear work in an area where barriers are being placed to close off streets around a locked-down neighborhood in Shanghai on March 15, 2022.

(Bottom Right) A man looks outside from his window during a COVID-19 lockdown in the Jing'an district in Shanghai on April 12, 2022.

peration are taking hold.

Starving locals have taken to banging pots and pans from their balconies while screaming out demands for food.

From the quarantine centers, disturbing videos have emerged of people being locked in half-finished facilities with poor sanitary conditions. One person complained about dozens of people having to share a single clogged toilet.

Despite these restrictive measures, the outbreak appears nowhere close to being under control. Virus cases in the city hovered at above 20,000—more than five times the number reported in late March, when the lockdown first went into effect—for six days straight ending on April 12. However, experts and locals have consistently questioned whether the official figures can be trusted.

As Beijing rushes to defend its zero-tolerance COVID-19 strategy, piling accounts posted on the Chinese internet and interviews conducted by Insight reveal that the regime's hardline approach is testing the limits of the Chinese populace.

No One Spared

Food is a top question plaguing the minds of Shanghai's sealed-in residents. Empty grocery shelves, scant provisions from authorities, and unreliable delivery have kept residents on edge, despite the city government's repeated assurances that supplies are bountiful.

"Officials, please put down your script. Show us now how you order vegetables with your phones," a local resident said in a post on Weibo, a popular Chinese social media similar to Twitter, in response to a news report on a recent Shanghai press conference.

The user hasn't been alone in feeling the vexation. Many in Shanghai have

been staying up until midnight or rising before 6 a.m. to load their online shopping carts with produce—often at exorbitant prices—only to find their orders canceled at the moment of hitting the purchase button. Even for those who were successful, some found their items' delivery date pushed back time and again, with their orders at times not arriving until several weeks later.

Nor have the rich been spared from the sting. Billionaire Cathy Xu Xin, dubbed queen of China's venture capital, has stakes in multiple food shopping apps now essential for Chinese residents under lockdown. Xu recently asked neighbors to add her to an online bulk buying group for milk and bread to supply a large household, she said in a social media post.

In a chat group for Tomson Riviera, an upscale housing complex of 220 people with apartments valued at tens of millions of dollars, one user told others to try their luck in the afternoon if their morning efforts at buying weren't fruitful. There may be "surprises" if they spend more time on the shopping apps, the user said.

Another in the same chat group, noting how they had been reduced to partaking in online food fights day in and day out, said in an online post, "I don't know where my dignity is."

Amid their struggles to obtain food, footage has emerged showing truckloads of donated produce going straight to landfills, further inflaming public anger.

The truckers haven't been able to find a home for these goods. In videos circulating on Chinese social media, exasperated truck drivers from other provinces shouted at authorities over the phone after finding themselves—and the do-

nated food they had hauled from hundreds of miles away—stranded on the streets.

"Forget about how expensive the goods are, I'm using my life to support Shanghai, but now I'm left with no water nor food," one of the truckers from the port city Qingdao in eastern Shandong Province said from a parking lot where he had waited for more than a day after his arrival, his voice raised, one viral video shows.

Deaths and Quarantine

Avoiding starvation isn't the only thing Shanghai residents have had to worry about. Children have been separated from their parents if they showed different COVID-19 test results. Seniors have struggled in medical facilities infested with COVID-19, and an unknown number of elderly people have died in such places after contracting the virus or because of lack of care.

Chen, the son of an 86-year-old in Xuhui Elderly Care Center, said half of the 200 people in the center were sick, including virtually all care workers.

His mother had a fever of 102.2 degrees Fahrenheit for four days, but was unable to obtain care at the facility. After a round of calls to all public hotlines available, Chen got a call back on April 12 from 120, the emergency medical hotline, telling him and his mother to "wait," he told Insight. The city hasn't reported any deaths in relation to COVID-19 since two years ago.

As for those who test positive for COVID-19, they and their close contacts are sent to centralized quarantine centers, regardless of the sanitary conditions in those facilities.

In early April, dozens of vans carried locals to Wenjiadang, an apparently half-constructed makeshift hospital located in the Pudong district on the eastern side of Shanghai, where they waited while wearing white hazmat suits for hours in front of the metal entrance gate. Behind the gate were dozens of trash bags piled up.

The woman who filmed the video said plastic-wrapped meals were stacked on the dust-covered ground for people to take, and the whole facility had only one toilet—which didn't flush—despite the center's purported capacity to house 1,000 people. Her post and any mention of the facility have been wiped from Weibo.

Another woman, who's nearly 80 years old, described a similar situation after being sent to a makeshift quarantine center in Pudong. There was no bedding and no water, she told her son, who retold her experience in a Weibo post that attracted 107,000 likes. More than 90 people had to share two or three restrooms, where trash and cardboard lined the damp floor, which was smudged with muddy stains, photos the son shared online show.

"It's so hard to access the restroom, but as an elderly person, I need to go to the restrooms several more times than young people," she said, noting that she had gotten only three to four hours of sleep each day since coming to the facility.

Avoidable Tragedies

Medical attention has continued to be an issue for the frail and sick.

Guo, a 65-year-old confined to his second-floor apartment in Shanghai, recently jumped from his balcony in a desperate bid to seek medical help for his 90-year-old mother, who was suffering from inflammatory lung disease, high blood pressure, and heart problems. Authorities had sealed off the building with a metal lock for days. The ambulance wouldn't come, and calls to every public hotline went unanswered, he said.

"This government is completely dysfunctional," he told Insight. "From top to bottom ... everyone is passing the buck."

Asked by Insight about Guo's plight, a local neighborhood committee worker said all regular officers have gone under quarantine. It's currently manned by a group of volunteers, including herself, she said.

However, officials reacted quickly after Guo called for help online—but not to offer assistance. They called Guo's nephew asking that the post be deleted, an irony that Guo noted bitterly.

"No one was around earlier, and they are back to life now," he said.



Photos of a quarantine center in the Pudong District in Shanghai, in early April 2022.

Larry Hsien Ping Lang, a prominent Chinese economist, recently lost his mother after COVID-19 curbs in Shanghai delayed her medical treatment. The 98-year-old, suffering from kidney failure, was kept outside of the hospital emergency room for four hours while waiting for a negative COVID-19 test result. She died during the wait.

"The tragedy could have been avoided," wrote Lang, who earlier this month had touted Shanghai's virus response as a demonstration of "the power of China," in a social media post. "Based on the past diagnosis, she just needed one dose of injection [for her kidney] to be alright."

Lang was only allowed to leave his own neighborhood to go to the hospital after lengthy arguments with authorities, by which time his ailing mother had already died.

Anger Building

At least 15 million residents are still locked in their homes as of April 13.

To vent their anger, residents in some neighborhoods have taken to banging on their cookware and screaming at the top of their lungs from the balconies of high-rise apartment buildings.

Videos shared with Insight also show locals shouting in unison "give us supplies" and at one point engaging in a scuffle with a pandemic worker clad in white.

Neither the city chief nor a senior regime official were kindly received when they recently made visits to residential neighborhoods.

Vice Premier Sun Chunlan was greeted by residents shouting from their apartment windows that they were "starving to death" and demanding that food be sent over.

Li Qiang, the Chinese Communist Party secretary of Shanghai, was cornered by several women airing similar complaints.

"You have committed a crime to the country," said a woman walking a dog, a video circulating online shows. "You should be ashamed to face ancestors and heaven and earth."

A woman from the compound, which has been sealed off since a month ago, said they were handed some rice and spoiled oranges just before and after Li's visit. The rice would sustain her for five days, but she had no greens to go with it.

"I didn't know Li Qiang was coming," she told Insight. "Otherwise, I'd definitely have come down to have a good

talk with him.

"The officials only answer to their bosses and never to the ordinary people."

Enthusiasm among local officials responsible for frontline pandemic control seems to be waning as well.

In a letter dated April 9, the Hancheng neighborhood committee in Pudong stated that their staff have had enough after 24 days of being sealed in the office.

"We have tried our best to cooperate with different government policies. Everyone and every department want our understanding and cooperation, but no one cares about how we feel," they wrote in the letter that was posted online.

"We are humans, too, not unfeeling machines. There's also a time when we can't bear it anymore."

An officer from the nearby Renwen neighborhood committee, when called, confirmed their resignation.

"The pressure is quite considerable," she told Insight.

Another neighboring office official said they'll "hold on for as long as [they] are able."

"We also don't know if we will not be able to keep going one day," she told Insight.

Wu Yingchuan, who became the village committee secretary for Changli Garden in November, also posted a resignation letter on social media, saying that they had done their best to help the residents, but were caught between government policies and the needs of 4,000 residents.

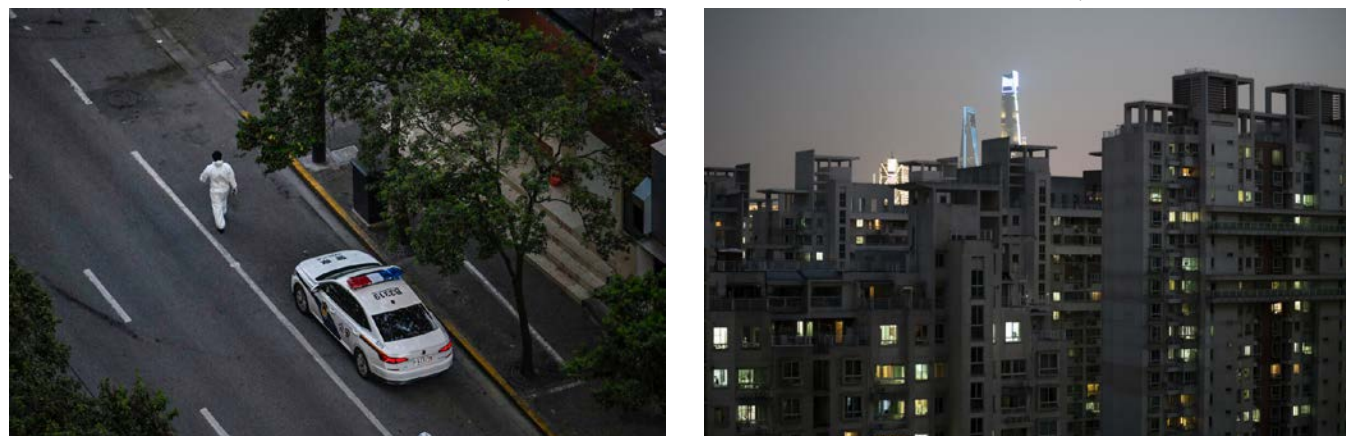
For more than two weeks, they haven't had a shower. Wu's workers are falling ill due to physical exhaustion and the virus. The volumes of calls requesting help each day have been emotionally crushing. But they've had neither the manpower nor capacity to offer tangible help.

"Orders from above are final. But those who give these irrevocable orders have never been to the nucleic testing site," he wrote. "They probably have no idea ... because of such an order, how many frontline workers and volunteers would get infected and how many people lost their sleep."

Wu is currently still at work, according to a committee officer who confirmed the letter's veracity when called by Insight.

"Every word and sentence in this letter is real," the officer said.

Luo Ya and Hong Ning contributed to this report.



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CCP INFLUENCE

Hunter Biden's China Business Deals Should Raise 'Alarm Bells,' Author Says

FRANK FANG

As a federal investigation into Hunter Biden moves forward, his tangled business dealings, in particular those related to China, are drawing greater scrutiny.

Author Peter Schweizer, who wrote the book "Red-Handed: How American Elites Get Rich Helping China Win," recently told The Epoch Times that there is one simple way people can look at Hunter Bidens' business activities.

During the Cold War, it would have raised "alarm bells" if Jimmy Carter's or Ronald Reagan's family, were found to have received millions from Russian businessmen connected to the KGB, according to Schweizer.

"That's what happened here. All we're doing is replacing the KGB with the Chinese Ministry of State Security (MSS). It's the exact same story and it ought to be setting off the exact alarm bells," he said, referring to the Chinese regime's top intelligence agency.

Recent attention has been on a damaged laptop that was dropped off at a repair shop in Wilmington, Delaware in April 2019. The owner of the shop, who said the customer of the laptop never came back to retrieve it, made a copy of the hard drive for former New York Mayor Rudy Guiliano's lawyer Robert Costello.

Ahead of the November 2020 presidential election, the New York Post and Senate committees were among the first to obtain and review emails on the hard drive, revealing how Joe Biden, his brother James, and his son Hunter Biden, were involved in various foreign business ventures, in countries such as Ukraine, Russia, and China. At the time, many media outlets discredited the revelations as "Russian disinformation" and the news was blocked by social media platforms.

The Washington Post and the New York Times authenticated the emails and published their own reports relating to Hunter's laptop only last month.

"We're very clear that the Bidens got some \$31 million, based on the laptop, from a series of deals that happened beginning when Joe Biden was vice president of the United States. And those deals happened courtesy of four Chinese businessmen," Schweizer said.

All four Chinese businessmen were "directly linked" to the highest levels of Chinese intelligence, he added.

The fact that these Chinese businessmen would want to talk to the Bidens was interesting, Schweizer said, since the latter did not bring any capital or investors to the table, something financial investment firms would do.

Surely, the Chinese businessmen weren't philanthropies either, he added, the question then became what they wanted in return.

"When you look at the cluster of who provided the funds to the Bidens, and the fact that the Bidens did not really provide anything tangible in return, this has all the markings of elite capture and of a Chinese intelligence operation," he said.

Ties

According to his book, one of the Chinese businessmen was a Chinese tycoon named Che Feng, who helped Hunter Biden and his associates secure a deal involving a Chi-



Hunter Biden walks to Marine One on the Ellipse outside the White House in Washington on May 22, 2021.

nese investment fund called Bohai Harvest RST (BHR). Schweizer said the deal netted him about \$20 million.

Rosemont Seneca Partners, a U.S. investment and advisory firm Hunter Biden co-founded, became one of the shareholders of BHR, which was incorporated in Shanghai in 2013. Hunter gained an unpaid board seat on BHR as a result. In October 2019, George Mesires, Hunter Biden's attorney, issued a statement saying that the younger Biden had decided to resign from his seat on the BHR board of directors.

We're very clear that the Bidens got some \$31 million, based on the laptop, from a series of deals that happened beginning when Joe Biden was vice president of the United States. And those deals happened courtesy of four Chinese businessmen.

Peter Schweizer, author

Hunter Biden held a 10 percent stake in BHR but divested as of November last year, his lawyer told The New York Times.

Che was business partners with Ma Jian, who was then-vice minister of China's MSS and was reportedly headed the ministry's No. 8 bureau, which targeted foreigners with its counterintelligence apparatus, according to the book.

Ma was vice minister of state security from 2006 until January 2015, when he was placed under Party investigation for corruption, amid a sweeping anti-corruption campaign initiated by Chinese leader Xi Jinping in 2012. He was sentenced to life imprisonment in December 2018, after being found guilty of accepting bribes,

insider trading, and making "coercive" business deals.

Before his political downfall, Ma was a key member of a political faction loyal to former Chinese regime leader Jiang Zemin. The so-called Jiang faction is known for opposing Xi's leadership.

Che, who is also the son-in-law of Dai Xianlong, the former governor of China's central bank, was also named in the 2017 Paradise Papers for making about \$14.6 million in preferred stocks through his offshore company registered in the British Virgin Islands between 2009 and 2013. According to Chinese media, Che was placed under investigation in June 2015. "[Che] would fade from the [BHR] deal after both he and Ma were arrested and charged with money laundering and bribery, respectively. But the partnership between Hunter and Chinese officials was off and running," according to his book.

Deals

Schweizer said he wrote in his book how some deals made by the BHR were "benefiting the Chinese state in its competition with the United States."

One such deal allegedly involved BHR buying an "anchor investment" stake in a Chinese state-owned nuclear company called China General Nuclear Power Corporation (CGN). The investment was made "within a year" before the U.S. Department of Justice (DOJ) accused CGN of nuclear espionage.

In April 2016, the DOJ unsealed an indictment against CGN and its engineer Allen Ho for conspiracy to unlawfully engage and participate in the production and development of special nuclear material outside the United States, without the required authorization from the U.S. Department of Energy.

Ho, a naturalized U.S. citizen born in China who held dual residency in Delaware and China, was sentenced to two years in prison for violating the U.S. Atomic Energy Act in August 2017.

Another deal involved the BHR and its Chinese partner AVIC Auto acquiring Hennes in 2015, a U.S. maker of anti-vibration technologies with civilian and military applications. AVIC Auto is a subsidiary of China's state-owned Aviation Industry Corporation of China (AVIC).

Schweizer said the acquisition was "suspicious" given that AVIC "has a long history of engaging in espionage in the United States."

The Pentagon has identified both CGN and AVIC among many Chinese companies having ties to the Chinese military. AVIC is currently also on the U.S. investment blacklist.

AVIC was the beneficiary of a hacking campaign from 2010 to 2015 carried out by hackers associated with MSS, during which several U.S. companies, including Honeywell and General Electric, were breached, according to a 2019 report. The campaign allowed AVIC's shareholding company AECC to domestically produce an aircraft

engine similar to a foreign design.

"So the bottom line is, there are very serious implications for these deals," Schweizer said. "I've never seen anything like this involving a political family this prominent."

The White House and Hunter Biden's attorney Chris Clark didn't immediately respond to a request for comment.

Discoveries

Recently, more information about Hunter Biden's overseas business activities has come to light.

He was found to have tried to broker a \$120 million oil agreement in 2014 and 2015 between a Chinese state-owned oil company and Kazakhstan's prime minister at that time, the Daily Mail reported in February, citing emails obtained from his alleged abandoned laptop. The Chinese company, the State China National Offshore Oil Corp. (CNOOC), has also been named by the Pentagon as having ties to the Chinese military and is also currently on a U.S. investment blacklist.

In March, Sens. Chuck Grassley (R-Iowa) and Ron Johnson (R-Wis.) presented bank records on the Senate floor showing CEFC China Energy, a now-defunct company, made payments to Hunter Biden.

Leaked emails recently reviewed by Fox News and the New York Post showed that James J. Bulger, the nephew of now-deceased Boston crime boss James "Whitey" Bulger, played an active role in Hunter Biden's business activities in China. One 2014 email discussed a potential meeting between Bulger, Hunter Biden, Rosemont Seneca co-founder Devon Archer, and the Chinese ambassador to the United States at that time, to talk about a Chinese fund.

U.S. Attorney David Weiss is currently investigating Hunter Biden for possible tax violations, but little has been revealed to the public other than that he has not been charged with any crime.

On April 13, 16 Republican House lawmakers sent a joint letter to Attorney General Merrick Garland, calling on the Department of Justice to brief Congress on Weiss's investigation into Hunter Biden.

"Congress has a constitutional obligation to conduct oversight of the Executive Branch and a moral obligation to examine if the President of the United States or any senior official in his administration is ethically compromised or injured," the letter stated.

Schweizer said the key to the investigation is finding out what China has gotten out of Hunter Biden.

"They could have leveraged him and used him for intelligence source [and] blackmailed him," he said. "Those are the areas where I think the investigation needs to proceed."

"Now, the next question is, what were they [China] getting for their money?" he added.

Roman Balmakov contributed to this report.

SURVEILLANCE

China's Digital Yuan, Biggest Threat to the West, Is Overshadowed by Russian War, Kyle Bass Warns

FRANK FANG & JAN JEKIELEK

Russia's war in Ukraine is obscuring a very alarming threat posed by the Chinese regime: its system of paperless money, hedge fund manager Kyle Bass has warned.

"It is, I think, the single largest threat to the West in the last 50 years. And it's being overshadowed by the Russian invasion of Ukraine," Bass said during a recent interview on EpochTV's "American Thought Leaders" program.

The Chinese digital currency, variously known as the digital yuan, digital renminbi, e-CYN, or e-yuan—is currently being developed by the Chinese regime through its central bank. Since the e-yuan is backed by the People's Bank of China, it's a central bank digital currency (CBDC), or simply the digital version of China's fiat currency.

Pilot tests of the e-yuan are being carried out in more than 20 different Chinese cities, and the money was made available to visiting foreigners through a mobile app for the first time during the 2022 Beijing Winter Olympics.

"This isn't a simple digital payment app. This is an app that tracks where you are, what your name is, what your Social Security number is, [and] what all of your identifiers are," he said. "It has geo-locating ability."

Bass said that once the Chinese digital currency is fully developed and is made available to everyone outside of China, the Chinese regime could seek out certain e-yuan users, such as those in financial trouble, and corrupt them.

"Imagine if the Chinese government had access to every Tom, Dick, and Harry in America, and in Europe, and in Canada," he said. "Imagine if they could cross-run an algorithm that says, 'Let's look for U.S. government em-

ployees that have Tinder that are short on cash—and maybe they're married—and we can corrupt them immediately.'

"It gives them the ramp to corrupt anyone and everyone around the world that's corruptible, which is a real national security problem," he said. "So it's a way they can export digital authoritarianism."

China's global rollout of its e-yuan has a very specific agenda, Bass said, which is to reduce its dependence on the U.S. dollar.

"About 87 percent of global transactions that China settles are settled in dollars," he said. "They're desperately short energy, they're desperately short food, they're desperately short basic materials; they have to go buy these things every day around the world, and no one trusts their currency, and they still have a closed capital account."

"So what do they have to do? They have to use their [U.S.] dollars to do so."

More than 80 countries in the world, including the United States, are exploring the issuance of CBDC, according to tracking by the Washington-based think tank Atlantic Council. So far, Nigeria is among nine countries that have launched digital forms of their currencies.

In March, the White House issued an outline of President Joe Biden's executive order on digital assets. The president was "placing urgency" on research and development of a U.S. CBDC, and he said that issuing one was "deemed in the national interest."

Several U.S. lawmakers have been keen to see the threat posed by the e-yuan properly addressed. In May last year, Reps. French Hill (R-Ark.) and Jim Himes (D-Conn.) introduced the 21st Century Dollar Act (H.R.3506), which would require the U.S.



It gives them the ramp to corrupt anyone and everyone around the world that's corruptible, which is a real national security problem.

Kyle Bass, founder and chief investment officer, Hayman Capital Management



A sign at a checkout counter indicates that payment in China's new digital currency is accepted, at a Walmart store in Beijing on July 2, 2021.

Pilot tests of the e-yuan are being carried out in more than 20 different Chinese cities, and the money was made available to visiting foreigners through a mobile app for the first time during the 2022 Beijing Winter Olympics.

Treasury Department to include in a report for Congress any risks to the U.S. dollar posed by the digital yuan.

In March, Sen. Marsha Blackburn (R-Tenn.) and eight of her Republican colleagues introduced the Say No to the Silk Road Act (S.3784). If enacted, the legislation would require the U.S. Commerce Department and U.S. Trade Representative's office to file reports on the e-yuan.

Additionally, the U.S. State Department would be required to put a notice on its website warning U.S. citizens traveling to China "about the dangers of the digital yuan," according to the text of the bill.

"There are some senators that you'll see in the coming weeks are going to launch legislation to outlaw its use. And I believe that legislation must happen," Bass said.

"The West needs to convene, and we need to ban it immediately. You can't have a little bit of cancer: you either have cancer, or you don't have cancer."



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The logo of the Aviation Industry Corporation of China at the International Paris Air Show in Le Bourget on June 25, 2017.

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Wildlife director for Beni Jorge Raposo Callau (R) and two staff display seized illegal black caiman and jaguar pelts in Trinidad on April 11, 2022.

Chinese Trafficking of Exotic Animals Flourishes in Bolivian Amazon

AUTUMN SPREDEMANN

TRINIDAD, Bolivia—Beneath the intense humidity and bustle of everyday life in Bolivia's Amazonian region a river of exotic smuggled exotic animals is flowing toward Asia.

With the cooperation with the local prison system, Chinese nationals have created a thriving industry where inmates are forced to create products like wallets, hats, and purses from threatened exotic animals.

In Bolivia, it's illegal to kill, consume, or traffic wild animals. The crime is punishable by up to six years in prison.

Members of the Chinese crime syndicate Putian have been trafficking and selling jaguar teeth, pelts, and body parts in several Amazonian towns in the departments of Beni and Santa Cruz.

The operation was originally exposed during a 2018 undercover investigation by Earth League International and the International Union for Conservation of Nature (IUCN). The probe revealed how Chinese immigrants living in Bolivia collaborated with members of the Putian to acquire jaguars for the sale of their teeth, organs, and hides in China.

There are an estimated 130,000 jaguars left in the world and they are considered a threatened species. In Bolivia, their numbers are down to between 2000 and 3000 animals.

Figures from the IUCN revealed that 200 of the creatures were killed by traffickers from 2014 to 2016. By 2018, another 140 had fallen victim to the criminals, although that figure could be as high as 340 animals.

A three-year investigation by the Bolivian public ministry and the forest and environmental protection police culminated in the arrest of five Chinese nationals in the city of Santa Cruz. The trio were busted selling Jaguar parts out of the back of a fast-food chicken restaurant.

Yet despite these efforts, the trafficking of exotic animals persists in Bolivia, creating an uphill battle for conservationists.

"The law is on our side, but it's hard to enforce," Beni's director of wildlife and natural resources Jorge Aysar Raposo Callau, told The Epoch Times.

By the Skin of Their Teeth

In Callau's office, a banner hangs behind his desk that declares "Say no to buying, selling, or capturing wildlife" along with a free hotline number for people to call and report animal trafficking.

"It wasn't always like this," Callau explained, gesturing toward the banner.

"Until recent years, the only reason locals hunted jaguars was to protect their cattle or children when one tried to attack a village."

Callau says that Chinese business interests are driving the demand for wild animals, especially jaguar parts. Bolivian authorities confiscated an astounding 684 jaguar fangs from Chinese smugglers as of August 2018. Of that number, customs intercepted 119 at border checkpoints.

Illegal wildlife exports represent a \$19 billion-a-year industry worldwide, offering profits too great for cash-strapped locals to refuse.

This is evident in the stalls of black market sellers on the outskirts of Trinidad. At the

end of a dusty road is a country market. Fruit and vegetable stalls are alongside locals selling products made from illegally procured wild animal parts.

A local woman named Brenda had a variety of wallets, hats, belts, and purses made from jaguar pelts in addition to puma, anaconda, caiman on display.

"Only foreigners buy this stuff," she told The Epoch Times, taking down a man's wallet made with jaguar fur for closer inspection.

The products made from illegal animal parts in display in Brenda's stall were priced to sell. They ranged in price from \$16 USD for a small men's wallet made from anaconda or black caiman leather, to \$150 for a jaguar pelt cowboy hat or ladies hand bag.

Brenda said she's aware that customs may seize any products made from wild animal parts upon leaving the country and that it's illegal to sell the items she has in her market stall but doesn't seem to mind.

At the end of the day, the demand already exists and Brenda maintains she's merely one link in a chain of symptoms representing the booming animal trafficking industry which China has brought to the region.

However, she clarified that while China is the main buyer for these items, they aren't the only player in the illegal export game.

"I recently had one buyer from Spain who bought two jaguar hats for a doctor friend back home," Brenda said.

She added that the local prison in Trinidad, which is run by the Bolivian government, is fueling the animal trafficking industry. The prison called Mocoivi participates in a program that forces inmates to make leather products from various animals for purchase, including illegal wild animals.

During a live broadcast from BTN on Sept. 26, 2021, a reporter interviewed a prison leather products seller and revealed footage of hats and wallets made with illegal jaguar pelts.

In the interview, the seller claimed the program was meant to help "rehabilitate prisoners" and prepare them to work regular jobs once released from prison.

And this is done, ironically, by forcing convicted criminals to commit another crime in the eyes of the Bolivian law.

Officials at the general directorate of the penitentiary system declined to comment when contacted by The Epoch Times.

Before the 2018 bust, Chinese traffickers were able to export small parts from jaguars, particularly the fangs, fairly easily through the country's international airports. However, since customs officers began cracking down on the practice, opportunistic smugglers are turning to alternate routes to get the coveted exotic animal items out of the country.

Some of these methods include moving contraband through remote border crossings into Brazil and the notorious "death corridor," which is situated in a desolate section of the Atacama Desert between Bolivia and Chile.

One of the biggest problems for conservationists is the sheer size of the country's wilderness and relatively small population. Bolivia has a population density of only 26 people per square mile compared to neighboring Brazil, which has 62 people

per square mile.

This translates into a lack of law enforcement, especially in national parks where many of the nation's wild and threatened animals live and poachers operate freely.

"We're doing what we can, but we need more people," Callau said.

A Dangerous Mythology

In the mountainous river town of Rurrenabaque, jaguar hunting has grown up alongside the tourist industry.

Local eco-lodge operator and landowner Adela Jordan has seen the mentality of locals change over the years as China's money and influence infiltrated the region.

"They're predators [China], they consume everything they see. The land, the animals, the rivers, the trees, everything," Jordan told The Epoch Times.

She explained how the cattle ranchers in the area began hunting jaguars more aggressively than just defending their cattle once Chinese nationals expressed an interest in purchasing the teeth and other body parts.

About 20 miles down the road is the city of Reyes, where Jordan said another black market thrives and offers products made from wild animals, including jaguars.

"So many [locals] here have become poachers," she lamented.

The thriving undercurrent of trafficking exists in sharp contrast to Rurrenabaque's international claim to fame: Madiidi National Park.

Crouched at the edge of one of the last stretches of pristine Amazonian wilderness, tour operators in town offer three-day to one-week deep jungle adventures and wildlife spotting tours reminiscent of African photo safaris.

Yet with Chinese criminals offering \$100 to \$400 per tooth for jaguar fangs, the money has proven too inviting for locals to pass up.

The mythology surrounding the alleged good luck, fortune, protection, and vitality offered by jaguar teeth, which is an extension of the existing Chinese belief that Asian tiger parts offer the same benefits, is at the heart of the demand.

Additionally, there are well-intentioned, but haphazard rescue attempts, which leave many liberated animals, including jaguars, living in cages for the rest of their lives.

Jordan described one such animal refuge near the town of Rurrenabaque, which was forced to shoot a wild jaguar that entered the property and tried to attack one of the rescue center's captive animals.

"So what was the point if they have to shoot one of the animals they're trying to protect?" Jordan asked rhetorically.

Meanwhile, the multi-million dollar Amazonian wildlife tourism industry exists in a bizarre juxtaposition with Chinese wildlife traffickers. Jaguar fangs command a price of \$2,000 to \$3,000 apiece on the Chinese black market.

In 2018, a statement from China's embassy in Bolivia issued a plea to their citizens living in the South American country to respect and "strictly observe" both Chinese and Bolivian laws and regulations against the illegal trafficking of wild animals.

The Bolivian Minister of the Environment did not respond to a request for comment.



Jaguar pelt confiscated from animal traffickers held by Beni's director of wildlife and natural resources Jorge Aysar Raposo Callau on April 11, 2022.

130,000 JAGUARS

are left in the world and they are considered a threatened species. In Bolivia, their numbers are down to between 2000 and 3000 animals.



Black market stall in Trinidad displaying products made from jaguar, anaconda, ocelot, and other wild animals on April 11, 2022.

\$19 BILLION

illegal wildlife exports represent a \$19 billion-a-year industry worldwide, offering profits too great for cash-strapped locals to refuse.



A cargo boat on the river Ibarre on April 13, 2022.

FINANCE TIES

US Pension Funds Invest Billions in Chinese Firms, Stoking National Security Concerns

MICHAEL WASHBURN

Recent actions by Republican lawmakers have called attention to the willingness of top U.S. pension funds to invest in Chinese companies that may have ties to the regime in Beijing and may play a role in enhancing the regime's military and surveillance capabilities.

Sen. Marco Rubio (R-Fla.) and two GOP colleagues, Sens. Tom Cotton (R-Ark.) and Tommy Tuberville (R-Ala.) sent a letter on April 6 to President Joe Biden's four nominees to serve on the board of the Federal Thrift Retirement Investment Board (FTRIB), the primary pension fund for government employees, requesting that they pledge not to invest funds in Chinese firms that may undermine U.S. national security.

Rubio also placed a hold on the confirmation of the nominees pending such assurances.

But such an effort aimed at blocking U.S. investments from potentially aiding the Chinese regime and its military is but one step out of many others that should be taken, including Congressional action and cultural shifts within pension fund investing, say longtime observers of the U.S.-China trade and investment.

In their letter, Rubio and colleagues said they were "deeply concerned" by FTRIB's historical willingness to "invest federal employees' retirement savings into China-based companies, including firms involved in the Chinese government's military, espionage, human rights abuses, and aggressive industrial policy designed to undermine U.S. industry."

They explicitly called out the FTRIB's decision in 2017 to shift the index used for its international stock investment fund to the broader MSCI All Country World ex-U.S. Investable Market Index, which comprises 99 percent of the global equity market. That index is 7.5 percent weighted toward Chinese firms.

In response to pressures from lawmakers and the Trump administration, the FTRIB in 2020 backed off from making this move, but did not allay concerns about its willingness to invest in Chinese firms in the future.

In the view of some observers, the pledges that Rubio and colleagues now seek do not go far enough given the severity of the consequences of abetting China's military and the Beijing regime's manifold human rights abuses against the Uyghur minority of western China and other religious and ethnic groups elsewhere.

Currently, more than \$152 billion of overall U.S. investments are in state-owned enterprises based in China, according to a 2021 U.S. government document obtained by The Epoch Times that analyzed information from SEC filings as of November 2020. The document found that U.S. investors have allocated over \$2.3 trillion to China since 1992.

As of November 2020, over \$47.8 billion are in what the U.S. Defense Department classifies as "Chinese communist military companies." That month, then-President Donald Trump banned U.S. investments in such designated companies, an executive order that has since been expanded upon by the Biden administration.

The 2022 document also found that state and pension funds invested \$14.8 billion in Chinese securities. The state of California led the way in investments in China and Hong Kong, with 1,611 securities with a total investment value of nearly \$8.5 billion. Right behind was the Alaska Permanent Fund Corp., with investments in excess of \$2 billion, and the Teacher Retirement System of Texas, with over \$1.1 billion invested.

"Ultimately, the decision of whether the FTRIB should invest in China is one that Congress should make, and the decision should be to ban such investment," said Rob Atkinson, president of the Information Technology and Innovation Foundation, a Washington-based think tank.

In Atkinson's view, for the federal government to invest its employees' money in Chinese firms plays right into the hands of an adversarial regime and economy.

"As Lenin supposedly once said, 'Capitalists will sell us the rope by which we hang them.' It makes no sense for the FTRIB to invest in Chinese firms," Atkinson told The Epoch Times.

But apart from the actions of Rubio and colleagues, Atkinson sees little happening at the federal level to counter such investments. The current administration seems complacent, at least judging from its public stance on the matter.



American flags fly outside the New York Stock exchange on Jan. 14, 2022.



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Rob Atkinson, president, Information Technology and Innovation Foundation



We see aggressive investing in markets such as China, without concern about firms contracting for [the Chinese military's] AI or for the million-plus people in concentration camps and other human rights issues.

Dory Wiley, CEO, Commerce Street Holdings, LLC

"I am not aware of any statements from the Biden administration calling for an end to this practice. Absent Congressional legislation on the issue, I think it is quite appropriate for senators to ask the FTRIB to explain their views, and ideally to commit to ending the practice," he said.

While Congressional action on this issue may be warranted, Atkinson favors enforcing certain standards and protocols in U.S.-China trade and investment rather than abandoning it altogether.

"I am not a supporter of large-scale decoupling, in part because we do derive some benefits. But I don't support the U.S. government providing financing for Chinese companies, most of which have murky and opaque finances that would not meet Financial Accounting Standards Board (FASB) standards," Atkinson continued.

A Cultural Shift

In the recent past, pensions in the United States have not been shy about modifying and redirecting their investment strategies and targets in the face of public pressures or out of their own sense of fair and ethical investment practices.

"Pensions are bureaucracies, and they have a culture. Twenty years ago, the question about where to invest might have had to do with what we call the 'sin stocks.' Are you investing in gambling, alcohol, and cigarettes, and what's the effect? Are we making money at the expense of the public good?" said Dory Wiley, president and CEO of Commerce Street Holdings, LLC.

When such questions arose, Wiley said, debates tended to arise between proponents of ethical considerations and those who assert the fiduciary duty to turn a profit and provide the best returns for participants in the plan. Some pension funds would exclude "sin stocks" from their investment strategies, and some would not, he said.

More recently, the focus of the debate has shifted somewhat, and pension boards are more concerned with the principles of en-

vironment, social, and governance, or ESG, investing. Based on these calculations, some pension funds have decided that investing in gun manufacturers is unacceptable while investments in the so-called sin products, including alcohol, cigarettes, and gambling, may be permitted.

But the concern for ethical investing notably omits any consideration of the implications of investing in companies with ties to a predatory regime.

"At the same time, we see aggressive investing in markets such as China, without concern about firms contracting for [the Chinese military's] AI or for the million-plus people in concentration camps and other human rights issues," Wiley said.

"So I think that pension funds today really need to stop and look at what they're doing. Do we have investments in China, or in Russia, that are not for the good of our participants or the greater good of society?" he continued.

For pension funds to undertake such a review of their investments and make assessments about the consequences of supporting Chinese firms very much falls within the funds' fiduciary duty, particularly given the potential use of AI and other technologies to spy on and subvert the security of America and her allies.

"They need to evaluate those positions, and they need to have a good answer as to whether they're going to stay in those investments," Wiley said.

Not all pension funds that support Chinese companies do so intentionally, Wiley acknowledged. Part of the problem here is a manager benchmarking issue, he said. The tendency is for managers to develop portfolios with certain levels of exposure to different countries, in alignment with certain benchmarks. This is precisely the issue raised by Rubio and colleagues in their April 6 letter.

"Don't let a benchmark define what you should be investing in and not investing in. If a benchmark is wrong, a benchmark is wrong," Wiley said.



Sen. Marco Rubio (R-Fla.) speaks at the Heritage Foundation on March 29, 2022 in Washington.



TRUTH *and* TRADITION

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