

## Beijing networks in U.S. maneuver up to 25,000 spies



*Female soldiers of Chinese People's Liberation Army (PLA) line up before demonstrating skills during an open day of Stonecutter Island naval base in Hong Kong, Saturday, July 8, 2017, to mark the 20th anniversary of Hong Kong handover to China. ... more >*

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By Bill Gertz - The Washington Free Beacon - - Tuesday, July 11, 2017

Beijing's spy networks in the United States include up to 25,000 Chinese intelligence officers and more than 15,000 recruited agents who have stepped up offensive spying activities since 2012, according to a Chinese dissident with close ties to Beijing's military and intelligence establishment.

Guo Wengui, a billionaire businessman who broke with the regime several months ago, said in an interview that he has close ties to the Ministry of State Security, the civilian intelligence service, and the military spy service of the People's Liberation Army.

"I know the Chinese spy system very, very well," said Mr. Guo, speaking through an interpreter in his first American interview. "I have information about very minute details about how it operates."

Mr. Guo said he learned about Chinese spy activities from Ma Jian, a former MSS vice minister, and Ji Shengde, a former PLA military intelligence chief.

Mr. Ma was director of the MSS No. 8 Bureau in charge of counterintelligence against foreign targets, including diplomats, businessmen and reporters until he was swept up in a Beijing power struggle in December 2015. He was expelled from the Communist Party and imprisoned in January.

Mr. Guo said Mr. Ma was imprisoned because he had uncovered details of corruption by China's highest-ranking anti-corruption official, Wang Qishan.

Mr. Ma said in a video made public by the Chinese government several weeks ago that he worked with Mr. Guo in assisting Chinese national security.

Regarding Mr. Ji, the military spy chief, Mr. Guo said he had close ties with him and turned down requests from Mr. Ji to work as a smuggler for 2PLA, as the military spy agency was known.

Mr. Ji was implicated in the 1990s scandal involving Chinese funding of Bill Clinton's presidential re-election campaign. In China, he was given a suspended death sentence by a military court in 2000 on charges of bribery and illegal fundraising.

Mr. Ji lives in China and his wife currently resides in Los Angeles, and Mr. Guo said he paid money to Mr. Ji for 25 years as part of China's use of businesses to support intelligence activities.

“I know Ma Jian had been working for the state security system for over 30 years,” he said. “And he was responsible for sending out spies as well as for counterespionage, also vis a vis the U.S. So, Ma Jian knows everything about the United States.”

Mr. Guo is a Chinese real estate investor who fled China in 2015. He resides in New York City and since January has become the target of a major Chinese government campaign to silence him. In May, two senior Chinese security officials traveled to the United States as part of a bid to pressure Mr. Guo into keeping silent and not disclosing secrets about corruption among senior Chinese officials, as well as details of the intelligence activities.

The two officials, Sun Lijun, vice minister of the Public Security Ministry, and aide Liu Yanpang also tried to persuade Trump administration officials to forcibly repatriate Mr. Guo back to China amid claims of corruption.

Mr. Lui was arrested by the FBI for violating visa rules, and his cellphone and laptop computer were confiscated before the Chinese official was allowed to leave the United States. The Chinese officials, during meetings in Washington and New York and by phone, threatened Mr. Guo, his family and business associates and said that if he remained silent, the government would release assets of Mr. Guo's that are frozen in China worth an estimated \$17 billion.

Over the past several months Mr. Guo, who also uses the name Miles Kwok, began posting lengthy videos on Twitter and YouTube disclosing what he knows about Chinese corruption and intelligence activities.

### **California real estate**

One of the more explosive disclosures during the interview involved Mr. Wang, current head of the Chinese government's anti-corruption campaign and a member of the Chinese Communist Party Politburo Standing Committee, the collective dictatorship that rules China.

According to Mr. Guo, Mr. Wang secretly invested in California real estate since the late 1980s and has turned \$30 million in purchases of 111 houses into an estimated \$2 billion to \$3 billion today.

Mr. Guo said he plans to detail Mr. Wang's U.S. investments in a video to be published next week. The residences include homes and apartments in the District of Columbia and Bethesda, Maryland, on the East Coast to California properties in Los Angeles, San Jose, Cupertino, Sunnyvale, Palo Alto, San Carlos and San Francisco. The video also shows a series of mansions owned by Wang family members in Saratoga, California. In total, the residences were purchased for \$12 million and are worth some \$30 million today.

Mr. Wang, according to Mr. Guo, is the official who took over as the top leader overseeing China's financial sector from Chinese Premier Zhu Rongji, who stepped down in 2003.

One neighborhood in California of 14 houses owned by Mr. Wang or his relatives has been fitted with special underground silos that are used to store jewelry and documents, Mr. Guo said. "If the FBI could go in there and get those documents, then they can negotiate with the Chinese government," he said.

Mr. Guo said he plans to disclose additional details of alleged corruption by four other Chinese leaders, including Meng Jianzhu, a member of the Politburo but not the Standing Committee, and He Guoqiang, an official in charge of police and the courts.

"In the future, I will report on another two current sitting members of the Politburo Standing Committee, as well as two previous members of the Standing Committee," he said.

Mr. Guo denied a report in the journal Foreign Affairs that he represents a leadership faction in Beijing. The businessman said he began speaking out as part of a long-planned effort to bring democratic reform to China. "What I want to do is change the whole system. That's what I want," he said.

Mr. Guo said Chinese police killed his brother and in 1989, when China called out troops to put down unarmed pro-democracy protesters in Beijing's Tiananmen Square, he was jailed for 22 months.

"I've prepared all that time until now," he said. "I want to change the Chinese government. Absolutely, the Chinese government is the mafia."

## Stepped-up intelligence

Mr. Guo said Chinese intelligence operations in the United States sharply increased after the 2012 Communist Party Congress that brought President Xi Jinping to power.

“Before 2012, cumulatively China had around 10,000 to 20,000 agents working in the United States,” he said. “These agents had been sent to work in the United States over a 50-year period of time, and they were working in a defensive mode.”

According to the businessman, defensive intelligence was mainly focused on learning about the United States. The operations then shifted in 2012 to “offensive” spying, he said.

“By offensive [operations], I mean to be ready to destroy the U.S. in ways they can,” Mr. Guo said.

China’s annual budget for intelligence-gathering before 2012 was around \$600 million.

Around 2012, a decision was made by Chinese leaders to dispatch another 5,000 spies to the United States. “Some of them were sent as students, some as businessmen and some as immigrants, but all together, 5,000,” Mr. Guo said. “In addition to that, they developed between 15,000 and 18,000 other spies, and these are not directly sent but these are developed within the United States.”

The recruited agents are not limited to Asians and Chinese-Americans, but include all ethnic groups including Hispanics, blacks and Caucasians.

“And now the budget is between \$3 billion and \$4 billion annually, and this is information up to one month ago,” he said.

Mr. Guo said American counterintelligence agencies face several problems, mainly a lack of knowledge about Chinese intelligence agencies.

“You don’t know which organizations in China are responsible for sending these spies, how they are managed and to what purpose,” he said. “And the U.S. adopts a very legalistic perspective to look at the question of spying. Yet for China, their methods are not what the United States understands.

“These spies, when they come to the United States, they could sleep around, they could put poison in your glass of wine to kill you — completely unscrupulous,” he said.

FBI spokesman Matthew Bertron declined to comment. A Chinese Embassy spokesman did not respond to emails seeking comment.

### **Intelligence targets**

China’s intelligence targets included several strategic areas of the United States.

“The first is to obtain military weapons-related technology. This is priority No. 1,” Mr. Guo said.

Second, Chinese intelligence agents are engaged in “buying” senior U.S. officials personally, and a third objective is buying family members of American political or business elites “with a view to getting intelligence and to make big business deals in China’s favor,” he said.

A fourth priority is penetrating the American internet system and critical infrastructure by implanting malicious software.

“And they have successfully penetrated all the major defense weapons suppliers of the U.S. government,” Mr. Guo said, adding that “the scale of their operations is mind-boggling.”

Mr. Guo said Mr. Ma, the MSS vice minister, told him that a major shift by the Chinese was expanding the scope of agent recruitment from Asians to other ethnic groups.

“This is where the biggest danger lies,” he said. “It’s clear the situation is getting more and more dangerous now. The United States has the best weapons in its arsenal, such as laser weapons, etc. Yet, the Chinese spy system has penetrated into the bloodstream of American defense establishment with their viruses and everything else.

“The United States is bleeding and is unaware that sooner or later the United States will run out of blood,” Mr. Guo said.

### **Asymmetrical advantage**

Also, the United States is overly reliant on technical spying while China has an asymmetrical advantage in using its tens of thousands of human spies.

China also is working to subvert the United States by working together with regimes such as North Korea and Iran.

“So in a fight between rogues and a gentleman, the rogues will always win,” he said, “because the gentlemen fight a civilized war. The rogues do not fight a civilized war.”

Mr. Guo said he first visited the United States in 1983 when he was 13 and made numerous visits since then. “I love my nation. I love my country, but I hate the Communist Party,” he said.

Mr. Guo has not defected to the United States and holds several foreign passports. His information could provide a windfall of data for the U.S. government policymakers and intelligence analysts.

For example, Mr. Guo said he has frequently visited North Korea and has known every member of the ruling Kim Jong-un family.

“All the trade conducted between North Korea and China has been conducted by the relatives of the ruling families,” he said, claiming that the U.S. insistence of relying on Beijing to deal with North Korea’s nuclear and missile programs is “madness.”

In Hong Kong, the MSS dispatched an additional 3,000 intelligence officers to the former British colony after the May 2013 incident involving former National Security Agency contractor Edward Snowden, who fled to Hong Kong after stealing some 1.7 million secret agency documents.

The MSS agents were dispatched by Ma Jian after the spy service learned that the U.S. Consulate in Hong Kong was hosting some 2,600 American agents.

“The office they work for is the Hong Kong Security Department,” Mr. Guo said, noting that before that time “it was a more hit-and-miss approach” to spying. “They upped that until now they have 10,000 agents operating in Hong Kong alone.”

### **‘Mafia’ government**

Mr. Guo said Americans need to understand that China is not ruled by a normal government. “You should look at it as a mafialike organization,” he said.

Americans also much study the relatives of the ruling elite in China, he added. “Once you get to know the interests of these powerful individuals and also the family members, then you get to understand how the regime operates,” he said.

Michelle Van Cleave, former national counterintelligence executive during the George W. Bush administration, said China has been preparing for a major escalation of espionage and influence operations against the U.S.

“Remember their cybertheft of some 22 million personnel files from the Office of Personnel Management?” she said. “The Chinese now have a detailed roster of most, if not all, American contractors and government employees who have access to classified information, plus a roster of their friends, colleagues or co-workers who may be useful conduits or potential assets in their own right.”

Ms. Van Cleave said the OPM data likely will be used by Chinese intelligence to coerce, blackmail or recruit new sources for an already extensive espionage infrastructure.



“Cyber and human espionage go hand in hand — and the Chinese excel at both,” she said. “We urgently need a better understanding of what they are doing and how they are doing it — and a strategy to stop them — because China’s intelligence operations in the U.S. are poised to get much worse.”

Former FBI counterspy I.C. Smith said the large number of MSS officers could be a reasonable estimate if the figure includes Chinese who work informally for the service such as students, permanent resident aliens and visitors.

“China is no friend of ours and is never going to be a responsible member of the world community as long as the [Chinese Communist Party] is in power,” Mr. Smith said.