Conversations About Foreign Threats: The Thin Edge of the Wedge

Briefings on Prosecuted Cases of Economic Espionage, Theft of IP
Threats in Context:

**Why we must Focus on American & Democratic Values**

Communist Party of China (CCP) (and other authoritarian regimes) are challenging global governance and the validity of competing governance models.

A global network of partnerships centered on China would replace the U.S. system of treaty alliances, the international community would regard Beijing's authoritarian governance model as a better alternative to Western electoral democracy.

A growing number of countries voicing their concern about the downsides of Chinese investments.

The Belt and Road is Xi's vision for a world connected by Chinese-funded physical and digital infrastructure.

More United Front workers and operations to achieve CCP's strategic and economic goals.

United Front bureaucracy has expanded with an estimated 40,000 new United Front Department cadres since Xi became president in 2013.

Expanded Chinese influence and interference, economic and academic espionage.

Confucius Institutes, Chinese Students and Scholars Associations, Talent Programs, State Owned Enterprises, Media Companies under the direct or indirect control of the CCP.

More CCP-controlled entities operating in economic sectors, on university campuses, research labs, in pursuit of technologies, expertise, and controlling how China is perceived.

U.S. Government, University, Private Sector Partnerships must preserve and strengthen American and Democratic values and alliances.


A Note on Influence vs Interference

INFLUENCE:

Open activities to attract others: *Soft Power 30* uses six dimensions:

- Government
- Digital
- Culture
- Enterprise
- Engagement
- Education

INTERFERENCE:

Crossing boundaries established by law and disrupting the normal flow of political or social activity.
Xi Jinping is a strong promoter of united front work tactics, and has increased the resourcing and prominence for these efforts within the CCP political system.

1. Efforts to control the Chinese diaspora, to utilize them as agents of Chinese foreign policy, and to suppress any hints of dissent.

2. Efforts to coopt foreigners to support and promote the CCP’s foreign policy goals, and to provide access to strategic information and technical knowledge.

3. Supporting a global, multi-platform, pro-PRC strategic communication strategy aimed at suppressing critical perspectives on the CCP and its policies, and promoting the CCP agenda.

4. Supporting the China-centered economic, transportation, and communications strategic bloc known as the Belt and Road Initiative.
The CCP’s “Overseas Chinese work” has become an area of greater emphasis for the CCP—even as it has come under greater international scrutiny by democracies concerned about foreign political interference efforts.

In 2015, Xi Jinping emphasized Chinese students abroad as a new focus of united front work, and the CCP continues to call on ethnic Chinese to support its growing international ambitions.
The CCP has Expanded its Presence in the Non-Governmental Sector
Distribution of CCP organizations (2009-2016)

Party Organizations in Total (in thousands)
Private Companies with Party Organizations (in thousands)
Social Groups with Party Organizations (in thousands) (associations, non-profits, foundations, unions)

Source: MERICS Mercator Institute for China Studies Central Organization Department of the CCP
The Belt and Road will increasingly become a vehicle to project China’s authoritarian values abroad.
Challenges Posed by Chinese Belt Road Projects

- Erosion of national sovereignty
- Lack of transparency
- Unsustainable financial burdens
- Disengagement from local economic needs
- Geopolitical risks
- Negative environmental impacts
- Significant potential for corruption
How China Transfers Technology
Not Illegal, but Not Transparent Either

Illegal

Legal

Challenges Posed by Chinese Interference in U.S. University Life and Research

- Academic freedom and freedom of speech at risk
- Unsustainable long-term financial dependency
- Lack of transparency
- No reciprocity in openness
- Potential for loss of research integrity
<table>
<thead>
<tr>
<th>HOW CHINA OPERATES ON UNIVERSITY CAMPUSES</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CONTROL THE NARRATIVE INFLUENCE OPERATIONS</strong></td>
</tr>
<tr>
<td>Control How China is Perceived in the World</td>
</tr>
<tr>
<td>United Front Activities: Build Regime-Affiliated Communities Abroad. Chinese Embassy-Sponsored Welcome Parties. Chinese Students and Scholars Associations receive guidance from the CCP through Chinese embassies and consulates for suppression of free speech and the intimidation of Chinese student activists</td>
</tr>
<tr>
<td><strong>CONTROL EVENTS AND OUTCOMES INTERFERENCE OPERATIONS</strong></td>
</tr>
<tr>
<td>Erode Democratic Values, Principles, Institutions</td>
</tr>
<tr>
<td>Economic Influence over U.S. Universities Full Tuition Payments. Interfere in U.S. Universities Overseas</td>
</tr>
<tr>
<td>Funding, Gifts of Technology to Universities and Institutes</td>
</tr>
<tr>
<td>Exploit Student, Faculty, Visiting Scientist U.S. Visa programs</td>
</tr>
<tr>
<td>**ACADEMIC ESPIONAGE</td>
</tr>
<tr>
<td>Leverage Openness of U.S. Markets, Universities, Institutes</td>
</tr>
<tr>
<td>Place Scientists, Researchers, in University, National Labs for access to Foundational Research, Emerging and Dual Use Technologies</td>
</tr>
<tr>
<td>Pressure Publishers to not Publish Negative Portrayals of China. Censor Internet Access and Academic Publications</td>
</tr>
<tr>
<td>Recruit Students, Faculty, Researchers for Access to Sensitive Research</td>
</tr>
<tr>
<td>Research MOUs between U.S. and Chinese Universities on sensitive technologies. Risk of intellectual capital diversion</td>
</tr>
<tr>
<td>Foreign Investment Mergers &amp; Acquisitions</td>
</tr>
<tr>
<td><strong>CONDUCT CYBER OPERATIONS</strong></td>
</tr>
<tr>
<td>- Advanced Persistent Threats (APT)</td>
</tr>
<tr>
<td>- Steal Information, PII</td>
</tr>
<tr>
<td>- Network Staging for Reconnaissance &amp; Penetration</td>
</tr>
<tr>
<td>- Asymmetric Threat &amp; Retaliation</td>
</tr>
</tbody>
</table>

State-Owned Enterprises, Front and Shell Companies access to IP, Research Data, Technology. Penetrate U.S. Supply Chains
How do we have Campus-wide Conversations about this?
THE CHINA CHALLENGE IS ULTIMATELY ABOUT US, NOT THEM

- We are confronting increasingly illiberal, authoritarian, regimes.

- The foundation of American power is strong and we must approach the challenge from a position of strength and confidence.

- America has talent, a dynamic private sector, strong alliances and partnerships, leading universities, democratic values, and innovative spirit --everything we need to compete with illiberal authoritarian regime activities.

- The cost of inaction is the steady erosion of democratic institutions and values.
The importance of a problem should be measured by its consequences
HOW CHINA OPERATES ON UNIVERSITY CAMPUSES

BUILD REGIME-AFFILIATED COMMUNITIES ABROAD
- Build and support regime-affiliated communities through Chinese government programs and activities operating in university spaces.

WIELD ECONOMIC SWAY
- Use economic leverage by placing scientists and researchers in U.S. universities and national labs for access to emerging and foundational research and access to dual-use technologies.

INFLUENCE THE RESEARCH GRANT PROCESS
- Influence research grant processes to ensure that research is aligned with regime interests.

EXPLOIT VISITING STUDENTS AND FACULTY
- Exploit visiting students and faculty for sensitive research and insights.

PRESSURE PUBLISHERS
- Pressure publishers not to publish negative portrayals of China.

CENSORSHIP OF INTERNET ACCESS AND ACADEMIC PUBLICATIONS
- Censor internet access and academic publications to control the narrative.

INFLUENCE THE RESEARCH GRANT PROCESS
- Influence international openness of U.S. markets, universities, and institutes.

DIRECT CYBER OPERATIONS
- Conduct cyber operations targeting university information systems to steal data, intellectual property, and personal information.

ECONOMIC Espionage | ILLICIT ACQUISITION OF EXPORT CONTROLLED | DUAL USE TECHNOLOGIES
- Steal priority technologies, leverage international openness of U.S. markets, universities, and institutes.

ACADEMIC FREEDOM
- Balance openness with security.
- Freedom of speech.
- Enhance VISA application screening process to know who we are admitting to U.S. universities.

TRANSPARENCY, INTEGRITY & RECIPROCITY IN RESEARCH COLLABORATION
- Decrease reliance on Chinese students and Chinese full-tuition.
- Protect the integrity of the peer review.
- Ensure reciprocity in research and educational partnerships.
- Invest in U.S. STEM for long-run economic and national security.
- Uphold values of transparency, integrity, and reciprocity.

PROTECT R&D INVESTMENTS AND SENSITIVE TECHNOLOGIES
- Invest in U.S. R&D—U.S. funding cuts entice foreign intervention.
- Strengthen security in research labs, export control, and cyber security.
- Investigate the extent of Chinese penetrations in R&D programs.
- Track malign foreign actors, share information among universities.

CYBERSECURITY
- Control campus security officers.
- Strengthen security in research labs, export control, and cyber security.
- Investigate the extent of Chinese penetrations in R&D programs.
- Track malign foreign actors, share information among universities.