



# Agents, influence and interference: The new age of espionage is here

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To pedestrians passing by, the building in New York City's Chinatown district looked like nothing more than an unremarkable glass office complex. But, according to the FBI, it housed a secret police station run on behalf of the Chinese government that was masquerading as a cultural non-profit organisation.

On Tuesday [federal prosecutors accused](#) two New York residents, “Harry” Lu Jianwang and Chen Jinping, of working together to establish the first clandestine police station in America on behalf of China's Ministry of Public Security. Lu and Chen have both been charged with acting as agents of the Chinese government and obstructing justice by destroying evidence of their communications with a security official in Beijing.

According to prosecutors, Jianwang tried to persuade a Chinese fugitive to return home, where they would face likely persecution, and continually “harassed and threatened” the individual throughout 2018.

Assistant Attorney-General Matthew Olsen, of the Justice Department's national security division, said the People's Republic of China (PRC) had used its “repressive security apparatus” to establish a “secret physical presence in New York City to monitor and intimidate dissidents and those critical of its government”.



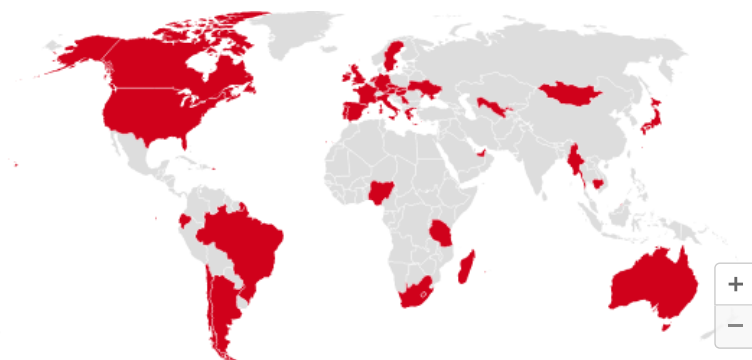
The glass facade building (second from left) is believed to be the site of a foreign police outpost for China in New York's Chinatown. AP

“The PRC’s actions go far beyond the bounds of acceptable nation-state conduct,” he said, attempting to head off the claim that all nations, friendly and unfriendly alike, spy on each other.

Breon Peace, US Attorney for the Eastern District of New York, said the secret police station represented a “flagrant violation of our nation’s sovereignty” and that such a facility “has no place here in New York City, or any American community”.

### Widening the net

Countries believed to have Chinese-run foreign police ‘service stations’



Source: Safeguard Defenders report

Just hours before prosecutors unveiled their charges in Manhattan, [Bondi businessman Alexander Csergo appeared via videolink at Sydney’s Downing Centre Local Court for a bail hearing.](#)

Csergo has been charged with one count of “reckless foreign interference” – just the second time Australia’s foreign interference

laws have been used since they were passed by parliament in 2018. The charge carries a maximum jail penalty of 15 years.

The 55-year-old, who spent two decades working in China, was allegedly given envelopes of cash by two Chinese spy operatives – known as “Ken” and “Evelyn” – to prepare reports on Australian defence and economic matters including the AUKUS security pact, iron ore and lithium.

Rather than spying, Csergo’s barrister Bernard Collaery said his client had simply provided information from open-source documents as part of a consulting arrangement. While Csergo was aware “Ken” and “Evelyn” probably worked for a foreign intelligence service, Collaery said this was simply the way things worked in China and there was nothing “sinister” about their interactions.

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Alexander Csergo (inset) appeared in court facing one charge of reckless foreign interference after he was arrested in Bondi on Friday (right). [LINKEDIN/AFP](#)

The barrister also said his client would be pursuing the Commonwealth for ruining his career and business. The case is set to return to court in mid-June.

Like Lu and Chen in New York, Csergo is presumed innocent unless found guilty by a court. Sam Boarder, a former Australian intelligence official who now works at advisory firm McGrathNichol, said the allegations in both cases stood out for their old-school, low-tech nature. Although there had been an “explosion” in cyber-espionage and hacking, he said, speaking generally, the traditional

human element of foreign interference and intelligence-gathering remained vital. “In some ways there has been a return to form,” he says, pointing to a resumption of international travel following COVID-19 restrictions and the increased emphasis governments are placing on cybersecurity.

In a separate case that is still before the courts, former US fighter pilot Daniel Duggan, who became an Australian citizen in 2012, [has been accused of helping train Chinese military pilots. He is facing extradition to the US on charges of arms trafficking and money laundering. He denies the charges and his legal team has](#) raised claims authorities may have unlawfully lured him from China to Australia so he could be arrested on behalf of the US and extradited.

Meanwhile, Canadian politics has been roiled by a foreign interference scandal, with leaked reports emerging from its top intelligence agency that China has tried to meddle with its past two federal elections. Canadian Prime Minister Justin Trudeau reportedly received a national-security briefing in which he was told that China’s consulate in Toronto had targeted 11 candidates – nine members of Trudeau’s Liberal Party and two opposing Conservatives – in the 2019 federal election.



Prime Minister Trudeau has been under pressure over alleged Chinese meddling in Canadian politics. THE CANADIAN PRESS

Canadian State Intelligence Service director [David Vigneault](#) told Trudeau that there was no indication that China’s interference efforts had helped elect any of the candidates, despite the consulate’s attempts to promote the campaigns on social media and in Chinese-language media outlets.

Last month Han Dong, a member of Trudeau's party, stepped down over allegations he was involved in Chinese political interference by lobbying a Chinese diplomat to keep two Canadians imprisoned in China. Dong has denied any wrongdoing and has sued Canadian media outlets for defamation for alleging he was a "witting" participant in a Beijing-backed foreign interference network. "I don't know if in our lifetime, we've seen democracy in a more precarious place," Trudeau said last month. "Many state actors and non-state actors want to foster instability here and elsewhere, to advance their own interests."

The Australian, American and Canadian examples each have distinct features. But viewed together, they show how, just as terrorism was the principal national security challenge in the two decades after the September 11 attacks, foreign interference is now the defining generational task of security agencies today. That's because of the rise of great power competition between the United States and China, but also because of Russia's increased revanchism under Vladimir Putin.



ASIO's director-general of security, Mike Burgess, says foreign interference has overtaken terrorism as the nation's principal security threat. ALEX ELLINGHAUSEN

ASIO director-general Mike Burgess made this point explicitly last year when he announced that espionage and foreign interference had supplanted terrorism as his agency's principal security concern. A few months later he downgraded the terror threat level from probable to possible, another sign the nation had entered a new national security era.



In a parliamentary submission released this week, Burgess said that more Australians were being targeted by hostile foreign powers and their proxies than at any time in the nation's history – including at the height of the Cold War.

Hostile powers, Burgess said, “are aggressively seeking secrets across all parts of Australian society. They are targeting our security clearance holders, those with access to Australia's most privileged information, capabilities and secrets. Since the announcement of AUKUS, there has been a distinct uptick in the online targeting of people working in Australia's defence industry.”

In his annual threat assessment, delivered earlier this year, [Burgess said it felt like his agency was locked in “hand-to-hand” combat with foreign spies](#), adding it was important to “dispel any sense that espionage is some romantic Cold War notion”.



Mike Rogers, former head of US Cyber Command, has warned Australia is becoming a more attractive target for espionage. OSCAR COLEMAN

Mike Rogers, who headed the US National Security Agency and Cyber Command during the Obama and Trump administrations, [told \*The Sydney Morning Herald\* and \*The Age\*](#) earlier this year that Australia's increased stature on the global stage made it a prime target for both Chinese and Russian spying.

The nation will become an increasingly alluring honeypot for foreign spies as it acquires top-secret nuclear-powered submarine technology from the United States and United Kingdom under the AUKUS pact, he added.

A similar story is playing out across the other members of the “Five Eyes” intelligence-sharing partnership, which comprises Australia, Canada, the US and New Zealand.

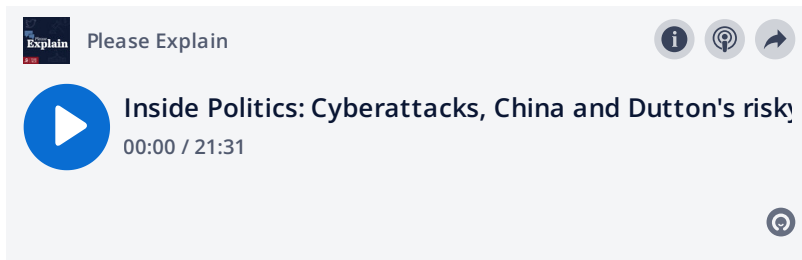
Earlier this year, Adam Fisher, director-general of intelligence assessments at the Canadian Security Intelligence Service, said that terrorism was no longer the chief concern of Canada’s security agencies.

“The threats to Canada now are from espionage and foreign interference,” he told the Canadian House of Commons.

In the US, FBI director Chris Wray last year said he was blown away by the scale of Chinese spying and revealed the FBI was opening a new China-related counter-intelligence investigation on average every 12 hours.

“There is no country that presents a broader, more severe threat to our innovation, our ideas and our economic security than China does,” he said.

On the same day as the US Justice Department announced the charges related to the alleged secret police station, it also charged 34 people with using social media to harass and threaten Chinese dissidents, as well as trying to amplify division in the United States and undermine confidence in America’s democratic processes.



Separately, it also charged former Zoom employee Julien Jin with removing content that was critical of the Chinese government and fabricating evidence of terms of service violations to shut down virtual meetings organised by those critical of the CCP.

These charges stand out for their emphasis on political activity, while prosecutors had previously focussed on economic espionage and the theft of American intellectual property.

Charles Sturt University professor Clive Hamilton, who has written two books on China’s foreign interference efforts, said he was

disappointed only two people had been charged with foreign interference in Australia since new laws were passed with much fanfare in 2018.

“In the US, the FBI is launching prosecution after prosecution but here there has been an extreme reluctance to use the laws,” he said.

And it’s not just limited to China. This week the US Justice Department announced charges against four American citizens and three Russian nationals for allegedly working on behalf of the Russian government to conduct a “multi-year foreign malign influence campaign in the United States”.

This allegedly involved funding US political groups to act as unregistered illegal agents of the Russian government as well as sowing discord and spreading pro-Russian propaganda. According to the indictment, Russian operatives clandestinely funded and directed the political campaign of a candidate in local Florida elections and intended on replicating the scheme in other parts of the country.

In Australia, *The Age* and *Herald* reported ASIO [disrupted a “hive” of Russian spies](#) that was posing as embassy and consular staff, persuading them to leave the country rather than face criminal charges.

Former Australian intelligence official Boarder said there was a difference of emphasis between the US and Australia. While the FBI had both an intelligence-gathering and law enforcement function, in Australia those responsibilities were split between ASIO and the federal police.

“The US system has focused on prosecution, whereas here the focus has been on stopping the harm,” he said. “Disruption can be achieved in a variety of ways and may occur prior to the point at which a criminal case could be successfully prosecuted.”

The case of the alleged CCP police station in New York raises an obvious question. Do such outposts exist in Australia, which has a Chinese-Australian community of 1.4 million people? According to Safeguard Defenders – a non-profit investigative group that revealed the existence of the Manhattan police station – the answer is yes.

In [a report published in December](#), the group said the Manhattan police station was just one of 102 such centres operating in 53



different countries. Among their primary roles is running “persuasion to return” missions in which Chinese targets, such as pro-democracy activists, are urged to return to China to face justice. The report stated Sydney was home to a police contact point linked to the Wenzhou Municipal Public Security Bureau in south-eastern China.

However, both Australian Federal Police Commissioner Reece Kershaw and ASIO boss Mike Burgess have told Senate estimates hearings they did not have evidence that covert Chinese police stations were operating in Australia. Even if this is accurate, the fight against foreign interference is clearly just beginning.

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