**This is a Warning from the FBI website:**

***"The counterintelligence and economic espionage efforts emanating from the government of China," it says, "are a grave threat to the economic well-being and democratic values of the United States. Confronting this threat is the FBI's top counterintelligence priority."***

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**Author James Bamford is on a roll**. Previously he has published several exposés that have really revealed the incompetence and failures of our NSA, CIA and FBI. He must be on several agencies "hit list." His books have revealed how some of our enemies have exploited our security sloppiness and also poor handling of our covert human intelligence sources.

If I were an intelligence collection manager, I would be most jealous of his sources within our intelligence community whom Bamford has convinced to reveal very sensitive intelligence programs and sources. If we can assume that the information he has gathered for his books is accurate, his methods are astounding, and extremely damaging to our major intelligence and counter-intelligence organizations.

In "**Spyfail**," Bamford initially discusses the 2001 incident in the Taiwan Strait, where one of our Navy EP-3 surveillance planes was forced to make an emergency landing on a Chinese island with equipment and materials on board totally intact.

The EP-3 was loaded with classified electronic surveillance equipment, and also loaded with Top Secret/Special Access documents that revealed their mission and all the collection targeting data for many then current, and also future, NSA missions. Such being the case, the Chinese, doubtless examined and learned a lot about our equipment, that would enable them to learn and copy what was likely state-of-the art equipment. If true, that would have allowed the Chinese to upgrade their electronic collection capabilities.

Then Bamford weaves a complicated history of David and Alex Ma, who were both born in China and joined the FBI and CIA with initial low level jobs in translation, then over time due to their language skills and learned experience, moved into human clandestine operations. With a few years of experience, both decided turn on America and work for their original homeland. They were deeply involved with clandestine agents and operations in China, and were a very pleasant surprise to the Chinese security services. For more a decade, the whole network of CIA recruited spies in China were killed or imprisoned.

How did that happen? David Ma who had move up into being an FBI counterintelligence agent was largely responsible. His brother Alex, working in the CIA passed classified documents to China security, which were damaging, but his exposure of our Chinese spies in China were catastrophically damaging.

David Ma was undetected for decades, before his arrest in 2020. How could any agent be doing harm for so long go undetected? Wasn't he ever tested, and/or polygraphed? He was traveling regularly, including into China. Why was there was no suspicion for years, as one after another, asset was neutralized? How does one field agent know get access to the names of all the CIA spies working in China? This violates the most basic of security precautions.

For all the explosive details, go on the web and get your copy of “SPYFAIL,” It’s 484 pages and loaded with earthshaking details of treachery.

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**How China planted an FBI mole who was discovered only after gutting the CIA's vast spy network**

**James Bamford Jan 17, 2023**

* **The following is an excerpt from "Spyfail" by James Bamford.**
* **A spying suspect in the FBI may be largely responsible for unraveling the CIA's Chinese spy network.**
* The FBI's website carries a stark warning.

"The counterintelligence and economic espionage efforts emanating from the government of China," it says, "are a grave threat to the economic well-being and democratic values of the United States. Confronting this threat is the FBI's top counterintelligence priority."

Perhaps far worse is the threat to the lives of scores of courageous Chinese agents who have volunteered to spy for the US within their own country. Over the past decade, more than a dozen agents recruited by the CIA have been killed or imprisoned.

It now turns out that it was a Chinese spying suspect within the FBI's counterintelligence division who may have been largely responsible. This person is said to have gone undetected with his activities for upward of two decades, until his quiet arrest in 2020. In a Hawaiian jail, he has a little-known case wrapped in layers of secrecy as he awaits trail.

In James Bamford's new book, "[Spyfall: Foreign Spies, Moles, Saboteurs, and the Collapse of America's Counterintelligence](https://www.twelvebooks.com/titles/james-bamford/spyfail/9781538741153/)," he peels back many of those hidden layers.

**"The Puzzle Palace," then the**

Now we learn in a recent book "[Spyfail: Foreign Spies, Moles, Saboteurs, and the Collapse of America's Counterintelligence](https://www.twelvebooks.com/titles/james-bamford/spyfail/9781538741153/%22%20%5Ct%20%22_blank)," by James Bamford that the Chinese successfully doubled and recruited some of our agents and used them against us. Several doubled operations have been used against us for ... before they were discovered.



"Spyfail" by James Bamford.

In the spring of 2001, Chinese intelligence was on a very big roll. On April 1, a Navy EP-3 electronic spy plane, operated by the National Security Agency and on patrol along the Chinese coast, was forced to make an emergency landing on China's Hainan Island. After evacuating the crew, Chinese intelligence agents went to work extracting some of the agency's most secret espionage and cryptologic equipment, along with piles of documents classified above top secret. An enormous windfall, the hardware, software, and documents gave Chinese intelligence critical insight into the NSA's targets in their country, and the methods used to spy on them. And less than a week earlier, Chinese intelligence came upon another intelligence bonanza when two former CIA clandestine officers, one born in Shanghai and the other in Hong Kong, agreed to change sides.

At the time, four years after the handover from Britain to China, much of Hong Kong remained a world of neon and noise. But now a great many of the tourists haggling over Rolex watches, checking into the Peninsula, and packing Lan Kwai Fong and other nightlife districts had a decidedly Mandarin accent. "Five years ago, everyone looked down on you if you spoke Mandarin," said a Beijing executive living in Hong Kong. "Now, they know we're the big bosses with the money."

Despite predictions that the former colony would turn into a gray vista of hunched workers and nameless noodle shops, travelers from mainland China had become the principal source of visitors to Hong Kong. They were even spending more per capita than their American and Japanese counterparts. And March 2001 was an especially busy time. As soon as the Hong Kong Arts Festival ended, the Hong Kong International Film Festival began.

Deep in the shadows, the city had also become a major crossroads for Eastern and Western spies. "Hong Kong is a place where foreign intelligence agencies conduct a lot of activity," admitted Li Gang, the deputy director of Beijing's Liaison Office in the city. As the arts crowd checked out of their rooms and the film fans checked in, two former American spies quietly slipped into another hotel for a discreet rendezvous with their Chinese counterparts. They were brothers who had both worked as clandestine CIA officers in China, and now they were about to switch sides.

Alexander Yuk Ching Ma and his older brother David were both veterans of the CIA's clandestine operations division. David was born in Shanghai in 1935, a time of smoky jazz clubs, bustling casinos, and opium dens. The Pudong District, on the eastern bank of the Huangpu River, became the country's major financial hub, and decades later it would also become its high-tech eavesdropping hub.

In 1961, at the age of twenty-six, David moved to Los Angeles, became a naturalized U.S. citizen, and six years later joined the CIA in an entry-level capacity, possibly as a translator. But in the late 1960s the United States was in the middle of its desperate war with North Vietnam, which was aided by China. As a result, a throng of new recruits were continuously making their way to Camp Perry, known as "The Farm," the CIA's boot camp for spies, near Williamsburg, Virginia.

The problem was, nearly all had the physical appearance of cheering fans at a Notre Dame football game. Few would blend into a crowd on a street in Asia. Also, very few spoke Chinese or Vietnamese, especially with any fluency. That was good for David, and in 1971 he was promoted to the officer ranks within the CIA's clandestine service. Entrusted with the identities of many of the agency's human sources in China and elsewhere, as well as its system of covert communications (known as "covcom"), he spent years in the Far East.

In 1983, David resigned after it was determined that he was inappropriately using his government position to assist Chinese nationals in obtaining entry into the United States. But months before, as if taking his place, his thirty-year-old brother Alex had joined up and also became a clandestine officer. He was born in Hong Kong and, like David, lived for a time in Shanghai. Both also graduated from the University of Hawaii at Manoa. Following extensive training at The Farm, he was also provided with the identities of the agency's networks of spies, the various covcom details, and was sent to the Far East. Seven years later he left the agency, and around 1995 he moved to China, there oddly being no restrictions on former spies moving to their target nations. Therefore, little is known about his activities there.

David, however, ran into serious legal and financial trouble. In 1998, while living in Los Angeles, he pled guilty to two counts of defrauding a lending institution. In December he began serving a five-month sentence at Taft Correctional Institution, a low-security federal prison near Bakersfield, California, followed by five years of probation and $145,623 in restitution — money he didn't have. Then in 2000, his brother Alex returned from China, telling Customs and Border Protection officers that he was an "importer and exporter" and was carrying $9,000 in U.S. currency. Not long after, both brothers turned up in Shanghai.

For three days, beginning on March 24, 2001, Alex and David allegedly met secretly in a hotel room with at least five officials from China's Ministry of State Security (MSS) and passed on highly classified information. According to government charges, details included the covers used by CIA officers and CIA activities in China; cryptographic information used in classified and sensitive CIA communications and reports; information concerning CIA officer identities as well as those of CIA human assets in China; the CIA's use of operational tradecraft; and CIA secure communications practices — that is, covcom details. The brothers were then handed $50,000 in cash.

Afterward, as laid out in the indictment, both Alex and David returned to California, but they kept in touch with their handlers. Alex eventually agreed to become a mole for China's intelligence service within the FBI, and on the day after Christmas 2002, he applied for the position of special agent. By then, however, he was about forty-nine years old and was informed that he was over the age limit.

But in 2004 he was nevertheless hired as a Chinese translator since he spoke several Chinese dialects. In many ways, this was an even better position for a spy since he would have access to a very broad range of information, including intercepted Chinese conversations. The day before he started his new job, he called a suspected accomplice, possibly David, to give him the good news that he would now be working full-time for "the other side."

By then the FBI was reeling from another extremely damaging, and extremely embarrassing, counterintelligence disaster involving China. In 2003 it was discovered that the bureau's key U.S.-based China asset, Katrina Leung, was, like Alex, a double agent working for China. Worse, she was simultaneously sleeping with two of the FBI's top China agents. Among them was her longtime handler, through whom she had been passing false information for more than a decade, information that often was quickly passed on to the White House.

Assigned to the Honolulu FBI office, Alex and his wife moved into a $600,000 condominium on Hawaii Kai Drive, a short walk to the ocean on the southeastern corner of Oahu. Strongly built, with a broad natural grin, Alex wore squarish glasses above puffy cheeks that seemed to glow when he smiled, which was often. Over at least the next six years and possibly much longer, he took over the role of FBI mole where Robert Hanssen, who spied for Russia for more than two decades, left off, except for a different spymaster. It was as though no lessons had ever been learned by the bureau.

The method was simple. Attracting no suspicion, Ma would gather up piles of highly secret materials and simply walk out the door with them, just as Hanssen had done for decades. Some he photographed with a digital camera, others he downloaded from his computer onto a flash drive, while still others he copied onto CD-ROM discs. Some dealt with guided missiles and weapon systems, and others revealed the identity of confidential sources, putting their lives at risk.



**FBI agents remove evidence from Robert Hanssen's home in Vienna, Virginia, on February 20, 2001. Alex Wong/Newsmakers**

In addition, Ma had extensive knowledge of the CIA's highly secret covcom techniques by which CIA officers communicated with their sources. Every few months, once he had accumulated a load of secrets, he would call his handlers. They would then book him a hotel room in Shanghai, pick him up at the airport, and take him into town, where he would hand over his secrets and be debriefed by agents of the Shanghai State Security Bureau (SSSB).

The SSSB was the regional office of the Ministry of State Security, China's equivalent of both the CIA and FBI. Headquartered in Beijing at Xiyuan (Western Garden), next to the vast ensemble of lakes, gardens, and palaces of the Summer Palace, its logo still displays the hammer and sickle of the Communist Party. At the time, it was run by Minister of State Security Xu Yongyue, a stern-faced senior party official from Zhenping County, the jade capital of China, in the province of Henan. And in charge of the SSSB was Cai Xumin, who received a very significant promotion to vice minister of the MSS in 2004, likely due to his recruitment of Ma.

Following the rendezvous and document drops in Shanghai, Ma would simply fly back to Honolulu. At one point a curious U.S. customs official pulled him aside for a secondary search and discovered he was carrying $20,000 in cash and a shiny new set of golf clubs. But no questions were raised, no actions were taken, and later that day Ma sent an email to his SSSB handler with an attachment containing additional classified information. Other money paid to him by the MSS was regularly deposited in a bank account in Hong Kong.

David Ma also secretly remained in the loop. Living in Arcadia, a wealthy Los Angeles bedroom community, he established himself as a consultant on immigration rights for the many Asian immigrants in the nearby communities, such as Alhambra and Monterey Park. Familiar with their needs and fluent in various Chinese dialects, including Mandarin, Cantonese, Shanghai, and Chaozhou, he opened several businesses. They included the Chinese American Civil Rights Organization and AsiAmerica Immigration & Consultancy, Inc.

Ironically, in 2005 he was quoted in a Los Angeles Times article about Chinese espionage. As China's economy continued to boom, he said, he could understand the temptation of some Chinese Americans who wanted to do business there to help the government any way they could. "I'm not saying all of them are spies," he said. "But for some of them it is outright greed because they need to do business with [the Chinese government]. It's just like barter or exchange."

Because of his businesses, David became very well known within the Chinese communities in Los Angeles, which was ideal for the SSSB and MSS. Critical for them was discovering community members who had become confidential informants on China for the CIA and FBI. In February 2006, Alex Ma, China's mole in the FBI, sent David photos he received from his handlers of five suspected human sources. Accompanying the pictures was a photo of five dogs sitting on a park bench, which was a coded way of asking him to supply the identity of the sources. Shortly thereafter, David sent Alex an email identifying two of the informants. And a memory card belonging to Alex had pictures of the five sources along with a list of five names.

A few months later, Alex arranged for his wife, Amy Ma, who was also born in Hong Kong, to fly to Shanghai to meet with his handlers and to deliver an encrypted laptop computer to them. An email message soon came back thanking him for sending his wife and delivering "the present." Over the years, without suspicion, Alex continued to fly back and forth to Shanghai every few months with stashes of secrets. And in June 2008, his handler phoned him to say that his "company" would have a lot of work orders in the coming year.

In May 2010, a few months after another clandestine rendezvous to hand over documents to his handler, Alex received a phone call from an MSS officer apologizing for not seeing him during a recent visit to China and extending an invitation to meet in Shanghai in the future. He also asked Alex to get in touch with David and see if he would be willing to discuss their "business venture." About the same time, the MSS was also bringing on board another veteran CIA clandestine officer, one who had just reapplied to the agency, possibly to become a mole. Known as Zhen Cheng Li in China, he was Jerry Chun Shing Lee to his colleagues at Langley.

Born in Hong Kong like Alex, Lee grew up in Hawaii and became a naturalized U.S. citizen. At seventeen, in 1982, he joined the U.S. Army, serving for four years but remaining in the reserves. A few years later he enrolled at Hawaii Pacific University, graduating in 1992 with a degree in international business management. A year later he earned a master's degree in human resource management and shortly thereafter joined the CIA as a case officer in the clandestine service. Over the following fourteen years, he was dispatched on numerous overseas assignments, including to China, where he, like Alex and David Ma, had access to the agency's clandestine networks, both human and covcom.

By July 2007, Lee had become frustrated by his lack of advancement at the CIA. "He was quite critical about the organization and his time there; the fact that he didn't get credit, he didn't get promoted, he didn't get the assignments he deserved," said one of his associates. As a result, Lee resigned and moved to Hong Kong, taking a job with Japan Tobacco International (JTI). Employing about forty thousand people around the world, the company sells 120 brands of cigarettes, including both Camel and Winston outside the United States.

But a key problem for the company was tobacco smugglers and counterfeiters. Asian crime syndicates were exporting tons of counterfeit cigarettes out of China with the help of corrupt officials. To combat the syndicates, the company had established a Brand Integrity Unit under a veteran CIA officer, David Reynolds, who had worked at the agency from 1988 to 2002. Afterward he was assigned as a U.S. consular officer in Guangzhou for two years. Lee claimed that his last job at the CIA was the agency's official liaison in Beijing to Chinese intelligence, the MSS, and he was hired by Reynolds.

Now, with an office on the forty-second floor of Tower 1 in Times Square, the city's flashy, upscale shopping and restaurant complex at Causeway Bay, Lee could see all of Hong Kong spread out below him. But adjusting to private industry was difficult and he soon ran into problems. Company officials began to suspect that he was alerting corrupt Chinese officials about the firm's investigations and the pending raids and arrests by law enforcement. "Several of the shipments of counterfeits purchased as part of the investigations were seized by the Chinese authorities or simply disappeared, and one of our contract investigators was arrested and imprisoned in China," said a manager.

All evidence pointed toward Lee, and as a result, executives at JTI alerted the FBI, but apparently no action was ever taken. Lee was finally fired in mid- 2009, and soon afterward a Chinese official warned the company that he was not only continuing to share information with MSS officers, but was also actively working with them. And once again JTI officials passed the information to the FBI. "I certainly reported it to the appropriate authorities," said a company supervisor. It was good information, but once again it seemed to go nowhere within the bureau. At about the same time, Lee hooked up with a potential business partner, Barry Cheung Kam-lun, a former Hong Kong police officer who, Lee knew, had close ties to the MSS. And on April 26 the two traveled across the Hong Kong border to neighboring Shenzhen for a private dinner with MSS officers.

It was time for the official pitch. After excusing Barry, the intelligence officers and Lee reached an agreement that he would begin passing secrets to them and act as their spy. In exchange, they handed him a briefcase full of cash, $100,000, along with an agreement to take care of him "for life." It would be the first of hundreds of thousands of dollars he would receive, and within a few weeks he began receiving his taskings, key among them apparently becoming a mole in the CIA, as Alex Ma had done in the FBI. That same month, he applied for reemployment with the CIA. But given his less than illustrious career and departure from the agency, it went nowhere.

Instead, possibly as a cover, Lee and Barry Cheung Kam-lun established their own company, FTM International, to enter the "Big Tobacco" wars and conduct their own brand integrity investigations. After investing nearly $400,000, they set up shop in the down-market Wan Chai area, renting space in Dannies House. Unlike JTI's soaring skyscraper in Times Square, Lee's new office was in a tired thirteen-story orange high-rise with battered air-conditioning units stuck out the windows like giant steel bird feeders.

But two years later, fed up with Hong Kong and having run out of secrets to sell, Lee decided to move his family back to Virginia, where he had been offered a potential job by the CIA. It had been secretly created to lure him back to the United States, and in August 2012, during a three-day stopover in Hawaii, agents conducted a black bag job on his hotel room. What they found was damning. Inside a small, clear plastic travel pack was a forty-nine-page datebook and a twenty-one-page address book, both of which contained top secret handwritten operational notes from his CIA days. Most critically, they included the true names of secret human sources as well as the dates and operational locations of the meetings. Another clandestine search was conducted on his hotel room in Fairfax, Virginia, soon after he arrived, and the information remained in his possession.

But inexplicably, rather than Lee being arrested, the decision was made to simply question him repeatedly over the following year. Finally, after the fifth interview in June 2013, with the questions becoming more and more revealing of what the bureau knew, Lee fled with his family back to China-controlled Hong Kong. Once more he was out of reach, and once more the FBI had bungled it.

Over the next few years, Lee did security work for the cosmetics company Estée Lauder and the auction house Christie's. Then in January 2018, apparently believing the danger had blown over, he boarded a Cathay Pacific flight to New York's John F. Kennedy International Airport. It was a serious mistake. His name had been flagged on the airline's manifest and he was arrested as soon as he landed. After first vowing to fight the espionage charges, in May 2019 he agreed to plead guilty and was sentenced to nineteen years in prison.

Around the same time, the FBI finally discovered the Chinese mole who had bored his way into the organization sixteen years earlier. In August 2020, an agent posing as an MSS officer approached Alex Ma in Honolulu and snared him in a sting operation. To convince Ma of his bona fides, he showed him a video of the meeting between him, David, and the SSSB agents at the time they signed on as spies in 2001. The pretend MSS officer then offered Ma $2,000 in cash as a "small token" of appreciation for Ma's assistance to China. Ma offered to continue working for the MSS and stated that he wanted "the motherland" to succeed. Shortly afterward he was arrested on charges of espionage and is currently awaiting trial. With regard to David, then eighty-five years old, the decision was made not to arrest him due to his advanced stage of Alzheimer's disease.

***James Bamford, a winner of the National Magazine Award for reporting, is the best-selling author of "The Puzzle Palace," "Body of Secrets," and other books on intelligence. His most recent book, from which this excerpt was taken, is "Spyfail: Foreign Spies, Moles, Saboteurs, and the Collapse of America's Counterintelligence," released on January 17.***

***Excerpted from "Spyfail: Foreign Spies, Moles, Saboteurs, and the Collapse of America's Counterintelligence." ©2022 James Bamford and reprinted by permission from Twelve Books/Hachette Book Group.***

WTF is this message? I recently read in a press release that asked if anyone knew the quality and capabilities of Chinese human intelligence operations.

My immediate response was that that China has a very long history and most of the time the country was run by warlords, who were constantly fighting among themselves. They must have had to gather intelligence on their competitors, and likely have been doing that for several thousand years. I assumed that intelligence operations were conducted by various warlords against other warlords.

If true, we should assume that Chinese human intelligence operations have been around for years and that the Chinese are possibly very competent.