

# CSIS reports outline how China targets Canadian politicians, business leaders

ROBERT FIFEOTTAWA BUREAU CHIEF

STEVEN CHASESENIOR PARLIAMENTARY REPORTER

OTTAWA

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A sign for the Canadian Security Intelligence Service building in Ottawa. SEAN KILPATRICK/THE CANADIAN PRESS

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Canadian politicians, officials and business executives are the prime targets of Chinese government espionage that employs blackmail, bribery and sexual seduction, with the country even enlisting the Bank of China in its foreign-influence activities.

Secret and top-secret Canadian Security Intelligence Service documents viewed by The Globe and Mail outline how China instructed its consulates and visa offices to alert Beijing to prominent and influential Canadians planning to visit China.

In addition, the Bank of China has been told to inform consulates of travel plans of Canadian business executives attending conferences sponsored by the state-owned financial institution, according to a Feb. 2, 2022 intelligence report that is rated top secret.

Other highly classified documents viewed by The Globe paint a picture of a broad Chinese strategy to interfere in Canada's democracy and gain influence over politicians, corporate executives, academics and vulnerable Chinese Canadians.

The overall goal is to obtain political, economic, scientific and military intelligence and neutralize or co-opt Canadian critics of Chinese policies, including repression of Uyghurs and Tibetans, the crackdown on free speech and democracy in Hong Kong and its designs on Taiwan. Beijing has said it reserves the right to use force to annex Taiwan, a self-ruled island it considers a breakaway province.

"This is a realistic threat that all our partners are facing. It is not just about electoral interference. It is multipronged," said national-security expert Akshay Singh, a fellow at the Council on International Policy. "It's about different levels of government. It is about academia. It is about civil society and it is about private enterprise."

In a December, 2021, report, CSIS explained how Beijing's ruling Chinese Communist Party (CCP) uses three colour-coded "political-interference tactics" to gain influence over Canadians here and those travelling to China. Blue refers to sophisticated cyberattacks on targets' computers, smartphones and hotel rooms for possible blackmail. Gold refers to bribes, while yellow is what CSIS described as "honey pots" – how the CCP employs sexual seduction to compromise a target.

The Globe reported Friday that China employed a sophisticated strategy to seek the return of a minority Liberal government and to defeat Conservative politicians considered to be unfriendly to Beijing in the 2021 federal election, according to CSIS documents. The plan included disinformation campaigns, cash donations to friendly candidates and arranging for business owners to hire Chinese international students, studying in Canada, as campaign volunteers to support preferred Liberal candidates.

Secret CSIS documents have also shown that Chinese diplomats quietly issued warnings to "friendly" influential Canadians in early 2022, advising them to reduce their contact with federal politicians to avoid being caught up in foreign-interference investigations by Canada's spy agency.

The Feb. 2, 2022, CSIS report explained how the Chinese consulate in Montreal tracks visa applications of influential and prominent Canadians travelling to China. It said the visa centre at the Bank of China was also recruited to submit details of Canadians planning to attend major exhibits such as the China International Import Expo [CIIE] trade fair.

In December, 2021, Zhang Heng, who was China's acting consul-general in Montreal for some time, instructed the consulate's visa office to share the names of government officials, members of Parliament and business executives who were applying for visas. Specifically, China wanted the names of presidents and vice-presidents of large Canadian corporations and the presidents of small and medium-sized companies.

Some of these Canadians are considered "work targets," the head of China's Montreal consulate visa office explained to the Bank of China in early December, 2021, according to the intelligence report.

Mr. Zhang complained to consulate colleagues that he only found out about "certain unspecified Canadians" who attended the November, 2021, CIIE trade fair from WeChat, the Chinese social-media application.

The massive annual trade fair spans technology, automobiles, medical instruments and medical care to food and agriculture. In 2021, about 3,000 businesses from 127 countries and regions attended the event, which ran from Nov. 5-10 at Shanghai's National Exhibition and Convention Centre. The Canada-China Business Council encouraged its members to attend this event and the CIIE fair held in November, 2022.

## **Chinese election interference and CSIS**

- **THE DISCOVERY**

The Globe reported that China employed a sophisticated strategy in the 2021 federal election campaign. Classified documents revealed the campaign's goals were to ensure that a minority Liberal government was returned in 2021 and that certain Conservative candidates identified by China were defeated.

- **THE TACTICS**

Disinformation campaigns, undeclared cash donations and the use of international Chinese students, studying in Canada, as campaign volunteers to support preferred Liberal candidates.

- **THE MONEY**

The Globe reported that Beijing's political interference plan involved donating money to the Pierre Elliott Trudeau Foundation. Following The Globe's reporting, the foundation announced it would be returning the the donation.

- **THE RESPONSE**

Politicians and former Trudeau advisors have been calling for a public inquiry into China's election interference. Former Governor-General David Johnston has been named special rapporteur to review the findings of two closed door panels investigating Beijing's interference activities.

The Feb. 2, 2022 intelligence report was shared among senior officials through such government departments as Global Affairs, Public Safety and the Privy Council Office, which reports directly to the Prime Minister's Office.

Former CSIS agent Alan Treddenick said tactics outlined in the Feb. 2 CSIS report are used widely by hostile foreign intelligence services.

"It is the standard playbook. It is in the playbook for a reason, because it works," he said.

Mr. Treddenick, president of ATNOH Group, a security consulting firm, said he advises business people travelling to China to leave their personal cellphones and computers at home. He said they should not leave documents in their hotel rooms and avoid being lured into a compromising situation while drinking in a bar or restaurant.

In response to The Globe story on election interference, Prime Minister Justin Trudeau told reporters Friday that he expects CSIS to hunt down the whistleblowers. He stuck to his long-held view that Chinese interference operations did not affect the overall results of the 2019 and 2021 elections.

As first reported by Global News, China favoured at least 11 candidates in the 2019 election in the Greater Toronto Area. A national-security source said nine were Liberals and two were Conservatives. The Globe is not revealing the identity of the source because they risk prosecution under the Security of Information Act.

On Friday, Mr. Trudeau played down the reports of Chinese state meddling. The CSIS report talked of how China's former consul-general in Vancouver, Tong Xiaoling, boasted in 2021 about how she helped defeat two Conservative MPs.

CSIS documents show China warned 'Canadian friends' of foreign-interference investigations

"The fact that a Chinese diplomat would try to take credit for things that happened is not something that is unseen in diplomatic circles around the world," Mr. Trudeau said.

Kenny Chiu, one of the Vancouver-area Conservative MPs targeted by China and defeated by a Liberal, told The Globe that a disinformation campaign against him during the 2021 election was effective. Chinese social media accused Mr. Chiu of being "anti-China" and said his private member's bill to set up a registry for foreign agents would target all people of Chinese origin in Canada.

“If you are ordinary Canadians, at least you will find that ridiculous, and you may potentially be able to fact check this information,” he said. “But some of my constituents, they exclusively rely on the source of information being circulated on social media, like WeChat.”

Victor Ho, the former editor-in-chief of one of Canada’s largest Chinese-language newspapers, said he has observed China’s interference in Canadian politics for years but that the practice was even more extensive in the 2021 election campaign.

He said he was surprised by the defeat of both Mr. Chiu and fellow Conservative MP Alice Wong.

Mr. Ho said CSIS was slow to recognize the issue and should have warned Canadians about this inference before the election. “The damage has been done, and our democratic system has been harmed,” he said, adding that the results of the 2021 election did not reflect voters’ free will.

If Ottawa fails to take concrete action, Mr. Ho said, the same thing will occur in future elections.

The United States and Australia have foreign-influence registries where people working on behalf of foreign governments or corporations have to file notice when they are trying to influence public policy, contracts or legislation in Canada. The Trudeau government has been studying the issue since 2021.

With a report from Xiao Xu in Vancouver