



# THE CI SHIELD

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## Leaked Documents: China Spying on top US Officials

InsideBitCoins, 14 Aug 2015: Leaked documents show — perhaps for the first time — that Chinese spies are reading the emails of some of the top officials in Obama administration. Chinese and Russian hackers are probably reading his emails Says John Kerry According to a senior US intelligence official and a top secret document, China has been intercepting email exchanges from at least April 2010, as their cyber spies accessed the private emails of “many” top Obama administration officials. A top-secret NSA briefing from 2014 informs that the email grab was detected in April 2010. They called it “Dancing Panda” and “Legion Amethyst.”

The indications that the top US officials were being spied on was first revealed in 2011, when Google disclosed that private Gmail accounts had been compromised. However, the senior U.S. intelligence official had clarified that the government email accounts assigned to the officials were not hacked because they were more secure than normal accounts.

The Chinese spies targeted only the private emails of “all top national security and trade officials” and harvested the email address books of targeted officials. This was not the only incident that showed Chinese spies were snooping the top US Officials as there have been several occurrences and confirmations. One such instance was when an NSA document leaked by Edward Snowden revealed that in late 2010 China had attempted to spy on the emails of four US officials. The target officials were Joint Chiefs of Staff Chairman Adm. Mike Mullen and Chief of Naval Operations Adm. Gary Roughead.

Now, it’s clear that the whole talk of Chinese and Russian spies reading the email exchanges of top officials is not limited to media and

debates, as even Secretary of State John Kerry admits that Chinese and Russian hackers are probably reading his emails, and that he writes messages under the assumption that they will be intercepted. Talking to CBS Evening News, Kerry said: It is very likely.

Though Kerry reiterated that the US has raised concerns about cyber-espionage from the Chinese many times before, reading what he said to the news channel, it is obvious the government admits it is part of international politics to snoop on other countries and their officials. To read more click [HERE](#)

## Corn Wars

NewRepublic, 17 Aug 2015: On September 30, 2012, agents from the FBI contacted U.S. Customs and Border Protection at O’Hare International Airport in Chicago with an urgent request. They wanted bags from two passengers on an outbound flight to Beijing pulled for immediate inspection. The passengers didn’t track as dangerous criminals: Li Shaoming, president of Beijing Kings Nower Seed Science & Technology, a large Chinese agricultural company that develops corn, rice, cotton, and canola seeds, and Ye Jian, the company’s crop research manager.

In Li’s luggage, agents found two large Pop Weaver microwave popcorn boxes. Buried under the bags of unpopped snack kernels were roughly 300 tiny manila envelopes, all cryptically numbered—2155, 2403, 20362. Inside each envelope was a single corn seed. In Ye’s luggage, agents found more corn seeds hidden amid his clothes, each one individually wrapped in napkins from a Subway restaurant. Customs officers were dispatched to the gate area for the Bei-

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## ABOUT THE NMCIWG

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## NEWSLETTER PURPOSE

Provide current examples of threats posed against corporate proprietary and / or U.S. military technologies; to educate readers of methods used to exploit, compromise, and / or illegally obtain these national resources.

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jing flight, where they found the two men and conducted body searches. Still more corn seeds, also folded into napkins, were discovered in Ye's pockets. Meanwhile, at a different gate, Wang Hongwei, another Chinese national believed to be in the employ of Kings Nower (agents never learned if he worked for the company or was related to someone who did), boarded a separate flight for Burlington, Vermont, where he had a car waiting for him to drive to Canada. FBI agents were there to follow him—though Wang, after leaving the airport parking garage, made a series of abrupt turns and managed to give his surveillance team the slip. It didn't matter. Border patrol officers were waiting when Wang pulled up to the Highgate Springs port of entry along the U.S.-Canadian border. He was selected out for a search, which turned up 44 bags of corn seeds under his seat and in his suitcases, as well as a notebook filled with GPS coordinates and a digital camera containing hundreds of pictures of cornfields.

Questioned by agents, Wang would say only that he had purchased the seeds from a man named Mo Hailong, the director of international business at the Beijing Dabeinong Technology Group (DBN Group), the parent company of Kings Nower Seed. Not wanting to alert Mo, agents allowed all three men to leave the country, but their corn seeds were confiscated. Special Agent Mark E. Betten, a 16-year veteran of the FBI specializing in the investigation of intellectual property theft, had the seeds sent to an independent bio-diagnostic testing laboratory, which confirmed that they were proprietary, genetically modified hybrids. Eventually, their genetic sequencing was matched to seeds under development by Monsanto, DuPont Pioneer, and LG Seeds, which, including LG's parent company, Groupe Limagrain, comprise three of the four largest seed companies in the world. The GPS coordinates were found to correspond with farms in Iowa and Illinois, where those companies were testing the performance of new hybrids.

In December 2013, after collecting this evidence, U.S. marshals arrived at Mo's home in Boca Raton, Florida. He was taken into custo-

dy and extradited to Iowa, where he has been under house arrest in Des Moines ever since. The FBI also brought charges against five alleged co-conspirators, all Chinese, who remain at large, including the three men stopped by customs agents, and eventually against Mo's sister, Mo Yun, as well. Mo and his sister are scheduled to stand trial before a federal court in Iowa in September on charges of conspiracy to steal trade secrets. If convicted, they face up to ten years in prison and a \$5 million fine.

This may seem like a lot of post-September 11 cloak-and-dagger for a few corn seeds, but the U.S. government believes that something much larger is going on. This theft, they argue, stems from an undeniable and dangerous fact: Despite its remarkable landmass, China simply can't grow enough food to feed itself, particularly now that the country's burgeoning middle class has acquired an appetite for meat. (Most corn in China is used as feed for livestock.) Water shortages and lack of arable terrain have forced their government to buy between two and five million metric tons of American corn annually, approximately 94 percent of all corn imported into China each year.

If China hopes to feed (and pacify) its growing population while also loosening the very real stranglehold that America has on its national food supply, its farmers have to start producing a lot more corn—not just enough to meet their domestic demand in good years but enough to maintain a stockpile to offset their global market impact during bad ones.

For decades, China has increased corn yields by putting more acres into production, but they're running out of arable land, and the USDA now estimates that Chinese corn consumption will rise by 41 percent by 2023, far outpacing production increases. The only tenable way for China to meet its own demand,

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then, is by planting high-performance hybrids, which can single-handedly double or potentially even triple per-acre corn production. Chinese scientists haven't developed a significant corn hybrid in years. But Monsanto and DuPont Pioneer, the two American seed giants, have produced so many successful hybrids that they now control 45 percent of all the seed sold in the world.

The Department of Justice maintains that China is quietly permitting and even encouraging companies to steal American agricultural secrets right out of the ground. Acquiring the technology behind these next-generation hybrids could save companies like DBN Group—and the country—as much as a decade, and many millions of dollars, in research. And, plant geneticists familiar with the case told me, the very fact that Kings Nower Seed has brought to market—and intended to bring more—products with stolen genetics hints that the Chinese government is complicit. The theft is not hard to detect or prove; the only way that DBN Group could hope to get away with this scheme is if China were pushing such spying as a matter of policy.

In fact, a 2011 report prepared by the Office of the National Counterintelligence Executive, which advises the president on intelligence matters related to national security, listed “agricultural technology” among the targets “likely to be of greatest interest” to spies from Russia and China. “Surging prices for food,” the report stated, “may increase the value of and interest in collecting U.S. technologies related to crop production, such as genetic engineering, improved seeds, and fertilizer.” Since that report, the Department of Justice has cracked down, successfully prosecuting Chinese national Kexue Huang for stealing secrets related to organic fertilizer production and an unidentified “new food product” while he was employed at both Dow AgroSciences and Cargill, as well as Weiqiang Zhang, for theft of genetically engineered rice seeds from Colorado-based Ventria Bioscience. The federal government considers agricultural products both an asset and a weapon in a long-range geopolitical chess match with China.

What makes the case against Mo Hai-long stand out is that the FBI openly acknowledges that each step of its operation, each escalation of surveillance, was approved by a federal judge under the Foreign Intelligence Surveillance Act (FISA), which requires that the investigating agency provide evidence that wiretapping is “necessary, or relevant, to the ability of the United States to protect against foreign threats to national security, such as attack, sabotage, terrorism, or clandestine intelligence activities.” The federal government, thereby, has implicitly acknowledged that it considers agricultural products both an asset and a weapon in a long-range geopolitical chess match with China, a resource of near-military value and importance, one that must be protected by all available means. By that logic, those Chinese nationals stealing corn are spies, no different—and, indeed, perhaps more important—than those who swipe plans for a new weapons system.

This may, at first glance, appear melodramatic—like *Homeland* in the heartland—but it is striking that the Department of Justice did not invoke FISA measures (at least not openly) in carrying out similar investigations into Dongfan Chung, a former Boeing engineer who stole trade secrets related to the Delta IV rocket and the Air Force's C-17 aircraft, or Qing Li, who conspired to procure 30 military accelerometers, which, according to the government, “have applications in smart bombs, missiles, and calibrating g-forces of nuclear explosions.”

When asked about the extraordinary use of FISA in this case, Nick Klinefeldt, U.S. attorney for the Southern District of Iowa, who is prosecuting Mo, chose his words carefully. “The agriculture industry is important,” he said. “It’s important not just to the state of Iowa but to the United States.” In announcing the charges against Mo last July, Thomas R. Metz, special agent in charge of the

## INSIDER THREAT

Employees that steal from their employers have been consistently found to exhibit “indicators” that their co-workers often observed, but sometimes failed to report.

Some of these reportable indicators included:

- ◇ Attempt to obtain info without a genuine “need to know” that info
- ◇ Repeated or unusual or unnecessary overtime
- ◇ Unauthorized removal of classified, sensitive, or proprietary info from a work area
- ◇ Being caught repeatedly for bringing electronic devices in sensitive work areas
- ◇ Excessive hoarding of sensitive information
- ◇ Network user account is identified as using excessive storage space; printing an abnormally high volume of documents; sending an abnormal amount of emails with large file attachments
- ◇ Sudden purchase of high-value items for which no logical source of income exists
- ◇ Extensive or regular gambling losses or financial indebtedness
- ◇ Upon return from travel, the employee has a difficult time describing travel details
- ◇ Employees demeanor suddenly changes for the worse: disgruntled, depressed, angry, moody, temperamental, sad, isolationist, and / or defeatist

Omaha Division of the FBI, went still further, saying that “identifying and deterring those focused on stealing trade secrets, propriety [sic] and confidential information, or national security information is the number two priority for the FBI, second only to terrorism.” Think about that: The U.S. Department of Justice and the FBI now contend, in effect, that the theft of genetically modified corn technology is as credible a threat to national security as the spread to nation-states of the technology necessary to deliver and detonate nuclear warheads.

Disturbingly, they may be right. As the global population continues to climb and climate change makes arable soil and water for irrigation ever more scarce, the world’s next superpower will be determined not just by which country has the most military might but also, and more importantly, by its mastery of the technology required to produce large quantities of food. The bureau’s investigation of Mo Hailong began only after Mo made a stunning blunder. It was early May 2011, and Mo and Wang Lei, vice chairman of Kings Nower Seed at the time, were driving country roads in Tama County, Iowa, allegedly searching for a DuPont Pioneer test field. But apparently uncertain if he was in the right place or unsure of what kind of seed DuPont Pioneer was testing, Mo had Wang pull to the edge of a field, so they could question a farmer in the midst of spring planting.

Mo and Wang told the farmer they had been attending an international agricultural conference at Iowa State and wanted to see someone planting a real cornfield. The farmer was dubious. Ames was nearly an hour away with nothing but expanses of cornfields in between, all at the peak of planting season. How had these two men chanced upon his field on the very day that he happened to be planting an experimental and top-secret seed under development by DuPont Pioneer? The next day, a DuPont Pioneer field manager spotted the same car. He watched Mo scramble up the ditch bank, and then kneel down in the dirt and begin digging corn seeds out of the ground. When confronted by the field manager, Mo grew flustered and red-faced.

He now claimed to be a researcher from the University of Iowa—not Iowa State—on his way to a conference. But before the field manager could question him further, Mo fled. He jumped into the waiting car, and Wang took off, swerving through the grassy ditch before fishtailing onto the gravel road and speeding away.

A few weeks later, agents from the Iowa office of the FBI sat down with DuPont Pioneer representatives for a standing meeting (which itself says something about the importance our law enforcement officials place on our corn) at their corporate headquarters in Johnston, Iowa, a northern suburb of Des Moines. A DuPont Pioneer executive mentioned the incident and explained that the company enters into exclusive contracts with farmers to grow proprietary and often genetically engineered seeds. The exact genetic sequence of successful seeds is a tightly held secret, worth many millions of dollars. The DuPont Pioneer field manager had written down the license plate number and handed it over to company security.

Multinational food conglomerates like DuPont Pioneer and Monsanto have sizable security forces and highly efficient investigatory networks. They traced the plates back to a rental car company at the Kansas City airport. Representatives there said the car had been rented by Mo Hailong. According to court documents, an unnamed vice president and general manager from DuPont Pioneer’s Chinese subsidiary told the FBI he already had reason to believe that Kings Nower Seed was somehow stealing the company’s experimental seeds in order to raise clones for sale to Chinese farmers.

DuPont Pioneer had recently discovered that one of DBN Group’s best-selling corn seed products in China shared genetic sequencing with a male parent line that the company had genetically engi-

#### EMAIL THREAT

Suspicious unsolicited email poses a serious threat to protectable information. Do **NOT** open, delete, print, or forward the email without the assistance of your organization’s CI officer or security manager

#### ELICITATION THREAT

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neered. The executive had confronted a DBN Group executive, sarcastically congratulating him on the success of their product. The Chinese executive had allegedly cracked a knowing smile and nodded, which the DuPont executive had taken as a tacit admission. The FBI agreed to investigate. Four months later, while the FBI was still looking into the Tama incident, a call came into the sheriff's office in Polk County, Iowa, with a report of three Asian males walking around a cornfield in Bondurant, just outside of Des Moines. Despite the strangeness of such a call, the responding deputy hurried to the field, approached the men, and took down their names: Mo Hailong Robert (Mo occasionally used the alias Robert Mo), Wang Lei, and Li Shaoming, the CEO of Kings Nower Seed. The men acknowledged that they were Chinese seed growers but claimed they were there to offer advice to the owner of the farm.

When the FBI learned of the report—and recognized Mo's name—they dispatched an agent from the Omaha field office to interview the farmer. He had never heard of the three men, much less sought their advice. He told the agent he didn't even know what kind of corn he was growing, other than to say he was under contract to Monsanto. Soon after, a Monsanto field representative confirmed that this, too, was a test site for a new parent seed the company had under development. With an emerging picture of what Mo was up to, the FBI began tracking his movements—and soon discovered that he and Wang were intending to travel together to Des Moines for events held in connection with the World Food Prize. The morning after their arrival, on February 15, 2012, the security team at DuPont Pioneer called the FBI to report "they were confident" (in the words of the subsequent report) that Mo, using an alias and fake corporate affiliation, had joined a delegation visiting their headquarters.

The FBI collected the surveillance video of the tour inside DuPont Pioneer's research lab and also identified Mo on corresponding security footage from the delegation's tour of a Monsanto research facility in Ankeny later in the day. That night, agents tracked Mo to a state dinner hosted by Iowa Governor Terry Branstad in honor of Xi Jinping, then the vice president of China and now the president. The next day, Mo and Wang went together to a sports bar near the hotel where they were staying in the Des Moines suburbs. They met up with Xiaoming Bao, a Chinese seed executive and former DuPont Pioneer employee whose wife was employed by the company as a corn-genetics researcher. FBI investigators could now demonstrate that Mo had, on two separate occasions, sought to obtain experimental seeds by collecting them from secret test sites,

and furthermore, it appeared he had gained the information about how to find those locations by working with corporate insiders. The FBI also discovered that while he was in Iowa, Mo had shipped hundreds of pounds of packages from a West Des Moines UPS location to his home in Boca Raton. The contents listed on the tracking sheet: "corn samples." To read more click [HERE](#)

### **Navy engineer gets 11 years for attempted espionage**

TheRegister, 16 Oct 2015: A civilian US naval engineer has been sentenced to 11 years in prison for attempted espionage, after passing military technology secrets to an FBI undercover agent posing as an Egyptian intelligence officer. The Register can report that 36-year-old Mostafa Ahmed Awwad "took advantage of his position of trust within the Navy to share the schematics of the USS Gerald R. Ford nuclear aircraft carrier with individuals whom he believed were representing a foreign government," according to Assistant Attorney General Carlin.

According to sealed court documents, cited in the Department of Justice release, Awwad had met the undercover FBI agent at a hotel and "described a detailed plan to circumvent US Navy computer security by installing software on his restricted computer system that would enable him to copy documents without causing a security alert." At this time, Awwad also provided the undercover FBI agent with four Computer Aided Drawings of a US nuclear aircraft carrier downloaded from the Navy Nuclear Propulsion Information system.

At a later date, Awwad had travelled to a pre-arranged dead drop site hidden by "a secluded hiking trail" where he retrieved \$3,000 from a concealed container disguised in a hole in the ground. He then secreted an external hard drive and two passport photos inside the container. To read more click [HERE](#)