

U.S. Orders China to Close Houston Consulate, Citing Efforts to Steal Trade Secrets

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Byline: Edward Wong, Lara Jakes and Steven Lee Myers

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Body

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WASHINGTON — The United States has abruptly ordered China to close its consulate in Houston, accusing diplomats of aiding economic espionage and the attempted theft of scientific research as the Trump administration sharply escalates its moves against China.

China vowed to retaliate, calling the action illegal. Hours after the administration issued its order on Tuesday, consulate employees burned papers in open metal barrels in a courtyard of the Houston building, prompting police officers and firefighters to rush to the area.

The move comes as President Trump's campaign strategists, anxious about his failures on the pandemic, are pushing a comprehensive anti-China message in an appeal to Mr. Trump's supporters.

It was unclear what had immediately prompted the crackdown on the consulate, which must close by Friday, although the State Department said China was directing "massive illegal spying and influence operations."

David R. Stilwell, who oversees policy for East Asia and the Pacific at the State Department, said in an interview that the Houston consulate had a history of engaging in "subversive behavior" and was the epicenter of research theft in the United States. He gave few details to support that assertion, though other American officials released a document with more information on Wednesday night.

He cited one example: He said the consul general, Cai Wei, the top Chinese official there, and two other diplomats were caught using false identification to escort Chinese travelers on May 31 to the gate area of a charter flight from George Bush Intercontinental Airport.

Mr. Stilwell said that some of China's attempted scientific thefts in the United States had accelerated over the last six months, and could be related to efforts to develop a vaccine for the coronavirus, although he presented no evidence.

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A seven-page document compiled by American law enforcement officials and obtained by The New York Times broadly outlined several F.B.I. investigations linked to the Houston consulate. Those included attempts to illegally transfer medical research and other sensitive information from institutions in the area; talent recruitment plans to persuade more than 50 researchers, professors and academics in the area to turn over tightly held research or information to Chinese institutions; and the coercion of Chinese citizens in the United States whom the Chinese government has deemed as wanted fugitives to return to their homeland.

Secretary of State Mike Pompeo, who has been a leader in aggressively pushing hard-line policies on China, said Wednesday at a news conference in Copenhagen that the Trump administration was “setting out clear expectations as to how the Chinese Communist Party is going to behave.” He warned that the United States would “take actions” to protect its interests.

Mr. Trump said during a news conference on Wednesday evening that “it’s always possible” his administration would close more Chinese missions.

The Chinese Embassy in Washington said in a statement, “The U.S. accusations are groundless fabrications.” In Beijing, a spokesman for China’s Ministry of Foreign Affairs urged the United States to immediately reverse the decision.

“Otherwise China will certainly make legitimate and necessary reactions,” said the spokesman, Wang Wenbin. His remarks suggested that China would, at a minimum, close an American consulate in China.

The consulate in Houston has about 60 employees. There are six other Chinese diplomatic missions in the United States: the embassy in Washington, an office at the United Nations and consulates in New York, Los Angeles, San Francisco and Chicago.

The F.B.I. has issued an arrest warrant for a Chinese student or researcher, Tang Juan, who sought refuge in the San Francisco consulate after American investigators discovered she had not disclosed her affiliation with the Chinese military and executed a search warrant to seize her electronic devices, according to the seven-page document. Chinese diplomats across the United States have helped military officers hide their identities, said John C. Demers, the assistant attorney general for national security. (Axios first reported on Ms. Tang on Wednesday.)

The closing of the consulate in Houston may be less detrimental to the United States’ relations with Beijing than shutting down a different one would be. It is the “sister” diplomatic mission to the American consulate in the Chinese city of Wuhan, where the coronavirus outbreak first emerged. The State Department evacuated its consulate in Wuhan after the initial outbreak; it is not clear when it might fully reopen.

Mr. Wang called the move illegal under international law, and described it as the latest in a series of aggressions.

“For some time, the United States government has been shifting the blame to China with stigmatization and unwarranted attacks against China’s social system, harassing Chinese diplomatic and consular staff in America, intimidating and interrogating Chinese students and confiscating their personal electrical devices, even detaining them without cause,” he said.

Cheng Xiaohe, an associate professor at the School of International Studies at Renmin University in Beijing, said the United States had never taken such a step against China since the two countries established diplomatic relations on Jan. 1, 1979.

“If the relationship between China and the United States continues to deteriorate unchecked,” he said in a telephone interview in Beijing, “the next result will be the severing of diplomatic relations.”

The Trump administration’s decision was a significant escalation of its effort to tighten the reins on Chinese diplomats, researchers, scholars, journalists and others in the United States.

It comes during rising tensions that have been inflamed by the pandemic and Beijing’s repressive moves in Hong Kong, and that now touch on virtually all aspects of the relationship, even though Mr. Trump himself has vacillated

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wildly on China. He has regularly praised Xi Jinping, the Chinese leader, and pleaded with Mr. Xi for help with re-election, while failing to denounce, and at some points explicitly endorsing, China's repression in Hong Kong and the Xinjiang region.

The administration's restrictions have included issuing travel rules for diplomats and requiring several Chinese state news organizations to register as diplomatic entities while limiting their visas. The administration is also considering a travel ban on members of the Communist Party and their families. Such a move, if enacted, could affect an estimated 270 million people, and it has been widely criticized as too sweeping to be practical.

In May, the Trump administration announced a travel ban on students and researchers of graduate-level and higher who have ties to Chinese military institutions. Some officials estimated that would result in the expulsion of thousands of Chinese citizens from the United States.

The Trump administration has repeatedly accused China of attempts to steal commercial and military secrets, allegations that Beijing has rejected. Some critics say the administration's approach could encourage prejudice against Chinese and Chinese-American researchers.

Christopher A. Wray, the F.B.I. director, said in a speech this month that the agency was opening a new China-related counterintelligence investigation every 10 hours. Of the examples he cited, four involved researchers in states under the jurisdiction of the Houston consulate.

On Monday, the Justice Department announced visa fraud charges against Song Chen, a visiting Stanford University researcher accused of concealing her active membership in the Chinese military. In January, the F.B.I. announced it was seeking a Boston University student, Yanqing Ye, who had hidden her affiliation with the People's Liberation Army when applying for a visa. American officials believe Ms. Ye is in China.

In December, the U.S. authorities arrested a Chinese cancer-cell researcher, Zaosong Zheng, at Boston Logan International Airport and charged him with trying to smuggle 21 vials of stolen biological research back to China.

In April 2019, officials at the University of Texas MD Anderson Cancer Center in Houston said they were investigating several scientists for improper disclosures. The officials did not identify the scientists, two of whom had resigned. But redacted investigative reports referred to ties to China or Chinese residents or institutions.

And on Tuesday, the Justice Department said it had indicted two Chinese hackers accused of trying to steal information about coronavirus vaccine research.

There have been other clashes over suspected espionage by employees at Chinese missions. In September, the State Department secretly expelled two employees of the Chinese Embassy in Washington who were accused of driving with their wives onto a sensitive military base in Virginia. That was believed to be the first such expulsions in more than three decades. Beijing demanded a reversal of the action.

Some former officials voiced skepticism over the Trump administration's latest move.

Daniel Russel, who served in Mr. Stilwell's job during the Obama administration, said closing the Houston consulate "further reduces the few remaining diplomatic channels between the two sides and is a step that will prove difficult to reverse."

"The China accusation that this move has more to do with presidential politics than with intellectual property is hard to argue with," said Mr. Russel, now a vice president at the Asia Society Policy Institute.

In 2017, the Trump administration ordered Russia to close its consulate in San Francisco, along with two annexes near New York and Washington, in retaliation for Russian restrictions on the number of American diplomats in Moscow. Those moves stemmed from the furor over Russia's interference in the 2016 presidential election, the fallout from which is still felt, despite Mr. Trump's outreach to the Russian president, Vladimir V. Putin.

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The effect of the Houston closure on relations — and travel — would in the short term be minimal compared with the diplomatic furor it has already incited. Consulates mainly process visas for travelers visiting China; the one in Houston handled those for southern American states, like Texas and Florida. Travel between the two countries has been severely limited in any case because of the pandemic.

“The consulate was not chosen at random, once the decision was made to try to take action to disrupt more strongly both political influence activities by the government of China and theft of intellectual property,” Mr. Demers said.

The State Department began evacuating its American staff from the Wuhan consulate in late January during the coronavirus outbreak there — a move that China at the time criticized as stoking panic. It has also significantly reduced operations at the embassy in Beijing and its other consulates, with many diplomats returning to the United States.

In recent weeks, the department has begun to slowly return diplomats and their families — only to face rigorous health screening and quarantine rules that the Americans had complained were onerous and even in violation of the Vienna Conventions on diplomatic and consular relations. The Houston consulate closure could add another obstacle to efforts by the American diplomats to return.

Keith Bradsher contributed reporting from Beijing, and Megan Specia from London. Claire Fu contributed research from Beijing.

PHOTOS: The Chinese Consulate in Houston. At left, President Trump with the Chinese leader, Xi Jinping. Mr. Trump’s administration has accused China of trying to steal secrets. (PHOTOGRAPHS BY DAVID J. PHILLIP/ASSOCIATED PRESS; ERIN SCHAFF/THE NEW YORK TIMES) (A11)

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