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Chinese Children Adoption International: Maintaining Sustainable Development of a Non-Profit Agency

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Founded in 1992, Chinese Children Adoption International (CCAI), based in Colorado, was the world’s largest adoption agency dedicated to providing adoption services to abandoned children living in Chinese orphanages. CCAI’s placements accounted for 18 per cent of all adopted Chinese children in the United States, and 15 per cent in the world.[[1]](#footnote-1) As of February 2017, CCAI had helped more than 12,000 orphans and children with disabilities to find a permanent home.

However, over the past 25 years, China’s economic and policy environments had changed tremendously. Accordingly, orphanage children in China had experienced many changes in their lives. The number of abandoned children on the Chinese mainland was gradually decreasing, especially among healthy orphans, while the number of Chinese children with disabilities who were seeking foreign adoption had been constantly increasing, accounting for more than 95 per cent of all adopted children (see Exhibit 1). Among unadopted orphans, the number of older children continued to increase. Therefore, the number of placements of orphans assisted by CCAI had fallen from more than 1,000 a year during the peak period of 2004–2005 to approximately 400 per year.

Zhong Hui (Joshua Zhong) and his wife, Nie Lili (Lily Nie), were the founders of CCAI. The couple had realized that these trends in adoption were irreversible and positive: “If one day in the future, there is no adoption service for us to provide, it means that there are no homeless orphans in China. This is our greatest wish.” Zhong and Nie were confident that CCAI, as an international adoption agency with a 25-year history, would not need to scale back with the changing adoption environment. They determined to use CCAI’s charity experiences, resources, and influence for other charitable fields while continuing with the cause of adoption. What should they do?

THE Difficult Start of CCAI (1992–1994)

Promulgation of the People’s Republic of China’s *Adoption Law* and the Hague Adoption Convention

Zhong Hui went to the United States to pursue his master’s degree in religious studies in 1986. His wife, Nie Lili, one of the first holders of the Legal Professional Qualification Certificate in China, followed Zhong to the United States for her master’s in business administration (MBA) studies.

In 1992, Zhong, who was then pursuing his doctorate degree, learned that China had promulgated the *Adoption Law*, and the adoption of Chinese orphans by foreigners was legalized for the first time. Through surveys, Zhong and Nie quickly learned that many Americans had a strong desire to adopt Chinese children, and the United States had dozens of intercountry adoption agencies providing services for adopting children from other countries. These agencies charged high service fees. For instance, in the 1990s, a family would pay a total of US$25,000 to adopt a Chinese orphan.

In 1993, 66 countries signed the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption(the Hague Adoption Convention), a convention on intercountry adoption. This convention protected the interests of children first, biological parents second, and adopters last. China and the United States acceded to the Hague Adoption Convention in 2004 and 2006, respectively.[[2]](#footnote-2)

Establishing CCAI

Zhong’s initial idea was to set up a Christian adoption organization, but he worried that the religious element would lead to rejection by the Chinese government. Ralph Covell, a theology professor who was formerly a missionary in China, told him, “There are also many loving families who are not Christians.” Thus, Zhong gave up his original plan.

On September 15, 1992, Chinese Children Adoption International was born in a basement of less than 20 square meters. Zhong Hui, Nie Lili, and Dr. Ralph Covell constituted the original board of directors.

In their attempts to comply with U.S. federal laws and regulations, Zhong and Nie encountered many unexpected problems. The U.S. Internal Revenue Service questioned:

What is the difference between bringing an adopted child from China to the United States and importing goods from China to the United States? Please prove how this [U.S. adoptions of Chinese children] is fundamentally different from imports and exports so that it qualifies for tax-exempt treatment.

Zhong and Nie replied immediately and explained that the abandoned children CCAI served were human beings who had equal value to everyone else and had the right to have a loving family. These vulnerable orphans were desperate for love and care and were not commodities for international trade. Adoption brought new life and new hope to orphans, and adoption services provided by CCAI were charitable. After repeated communications, CCAI was finally recognized by the U.S. federal government in 1993 as a 501(c) (3) federal tax-exempt charity—the first China-focused adoption charity in the United States that was started by a Chinese couple.

Visiting Orphanages in China

Zhong and Nie started their survey of orphanages in China. They sent letters to Chinese orphanages and to Chinese provincial civil affairs departments.

In 1992, China’s adoption affairs were administered by the Ministry of Civil Affairs (MCA) and the Ministry of Justice, each in charge of some of the complicated duties of adoption application approval and child matching. The government had just put a hold on international adoption pending the formulation of a more streamlined procedure. Thus, international adoptions represented a sensitive issue. One of the letters written by Zhong and Nie was transferred from the provincial civil affairs bureau to the then welfare division of the MCA, which issued an official statement saying it had no prior co-operation with CCAI and that CCAI’s qualifications still needed to be verified. This response caused great anxiety for the couple. Fortunately, an invitation from the Hunan Provincial Civil Affairs Bureau rekindled their hopes.

In Hunan, Zhong was shocked by the living conditions at the orphanages, where children were living in a destitute state, supported with limited funding and few caretakers. “The head of an orphanage told me that due to the hard living conditions, 30 per cent of the kids couldn’t survive more than six months and most of them were girls,” said Zhong. The trip to Hunan finally led to a co-operative agreement between CCAI and Hunan local governments.

The First Group of Adopted Children

Back in Colorado, the couple started to look for American families who had the intention and qualifications to adopt children. Zhong and Nie were Christians, so they first advertised through their church for adoptive families: “If you have spare rooms in your home, if you have extra love, you might want to consider adopting an abandoned girl from China. Please call us today!” The announcement and the following presentations created a positive response. Among numerous telephone queries and visitors, CCAI screened six families meeting the conditions set forth in China’s *Adoption Law* and submitted relevant materials to China’s MCA.

The Chinese *Adoption Law* imposed strict conditions on foreign adopters. After a short period of suspension, additional adoption qualifications were released in late 1993, stating, among other criteria, that adopters should be younger than 50 years old and childless. The sudden release of the rules disqualified most CCAI-approved adoptive families. After many painstaking efforts, the first group of CCAI adoptive families went to China in March 1994 and returned with six Chinese orphans. The successful adoptions received attention from the American media, and everyone adored the beautiful Chinese babies. CCAI’s phone started to ring off the hook from dawn to dusk, with people calling in from all over the country, eager for more information.

the Rapid Growth of ccai (1995–2005)

The Intercountry Adoption Process and CCAI’s Assembly-Line Mode

In 1996, China Center for Children’s Welfare and Adoption (CCCWA), a Chinese government-led adoption centre responsible for intercountry adoption, was officially established, and the adoption process was finalized (see Exhibit 2). By 1998, CCAI had become the world’s largest China-focused adoption agency, and was widely recognized by American adopters as the best service provider with the lowest charges.

Adoption fees charged by CCAI included a home study fee paid to social workers; payments to the U.S. government and the U.S. Citizenship and Immigration Services (USCIS); travel-related expenses, including airline tickets, accommodation expenses, and donations to Chinese orphanages (i.e., a child-rearing fee, which was initially US$3,000, and gradually rose to US$5,300, or ¥35,000[[3]](#footnote-3)); registration fees charged by Chinese administrations; a notary fee; and authentication, visa, and service fees paid to Chinese and American embassies and consulates.

CCAI created a unique service model called the “assembly line of love,” which minimized costs and maximized efficiency through a specialized division of duties and team collaboration. By following this service model, CCAI could have more than 1,000 families undergoing the adoption process at any given time.

To adopt a Chinese orphan, an American family was required to go through application and approval processes with the adoption agency, undertake home study with professional social workers, and meet with officials from the USCIS and the CCCWA. CCAI divided the adoption process into eight steps, set up special departments, and arranged special teams for each step (see Exhibit 3). For example, traditional American adoption agencies were composed of social workers, with each licensed social worker serving, at most, a few families at the same time. When social workers were sick or on leave, the families in their charge might have had to wait, but at CCAI, the module-based flow process would not let this happen. CCAI set up “an assembly line of love” and was able to assist more than 1,200 children and families during a one-year period, which was unheard of in adoption history.

After dossiers of a group of adoptive families were completed and before the adopters went to China for the adoption, Zhong would hold a telephone conference, educating families in great detail about what would happen in China and how each trip was arranged and who would serve them. When families returned from China, the first call they received was from Zhong thanking them for their adoption and asking whether they had any comments or other suggestions so that CCAI could continuously improve its service quality.

CCAI’s Board of Directors

The board of directors of CCAI had expanded from three members in 1992 to 11 members in 2017. The board members’ term of office was three years, and election or re-election was held upon the expiry of each term. As a charitable organization, CCAI attracted successful individuals to its board, but they were volunteers who received neither equity nor dividends. The board of directors was responsible for policies and rules, strategic visions, executive decision-making, and financial affairs (investments and budgets). Zhong and Nie acted as chief executive officer and president, respectively. At the quarterly meeting, they reported their work to the board, but had no voting rights.

Members of the board provided resources and protected and expanded CCAI’s vision, as put forward by Zhong and Nie. CCAI did not require its board members to make donations, but most of them generously made financial contributions whenever CCAI needed support.

CCAI’s Structural Setting

As of 2016, CCAI had approximately 100 employees on the payroll in the United States, working at its headquarters in Colorado and in branches in five other states. It had 200 networking family interview agencies in all 50 states to help with family assessment, and more than 5,000 volunteers who worked tirelessly.

These volunteers included the board members of CCAI, members of charitable project committees, participants in propelling charitable causes, adoptive families helping to promote CCAI in the United States, donors to charitable foundations and projects, and families and students who, from time to time, took on part-time jobs at CCAI. None of the volunteers had a contractual bond or an economic relationship with CCAI.

“Staff salaries of charitable institutions are generally 30 per cent lower than those of business companies,” Zhong said. Regardless, the couple appealed to employees with their lofty mission and a warm-hearted corporate culture, making them believe that CCAI was a different kind of charity with a life-changing mission. CCAI had never lacked passionate staff to work for the abandoned children.

The adoption business of CCAI covered all provinces of China. CCAI founded offices and employed full-time staff in Beijing, Zhengzhou, and Guangzhou. CCAI also dispatched local representatives in 15 provinces. To ensure service quality and attention to detail, each province was assigned one representative and three assistants who were responsible for serving six prospective families from the United States. Therefore, CCAI could receive multiple American families heading for those provinces at the same time; and in China, the agency could welcome four to six groups every month, with each group composed of up to 10 American families.

Every October, Zhong and Nie travelled to China to provide intensive training, development, and team building for the local representatives, covering children’s psychology, parenting skills, childcare tips, and an understanding of intercountry adoption and of communication with government institutions and consulates. Pediatricians, sign-language teachers, and other specialists were also invited to offer their professional services, so the CCAI local representatives were not simply translators but were knowledgeable about orphan welfare.

Many families were so satisfied with the whole process of adopting their first child through CCAI that they returned to adopt their second and third. CCAI treated all families equally and saw them as loving heroes who changed orphans’ lives.

ccai Coping with Changes (2006–2018)

Changes in China’s Adoption Environment

From 1996 to 2005, China’s intercountry adoption developed rapidly. The number of registered intercountry adoptions dramatically increased, from about 4,000 annually to its peak in 2005, when more than 13,000 Chinese children were adopted by families from 17 countries.[[4]](#footnote-4) However, the growth took an abrupt nosedive when domestic and foreign media reported a child-trafficking crime involving orphanages in Hengyang, Hunan.[[5]](#footnote-5) The media accused orphanages of incentivizing traffickers by offering fees to bring in more abandoned children for adoption and therefore receive more adoption donations.[[6]](#footnote-6) The traffickers and Hengyang orphanage directors were imprisoned, and the Chinese government concluded that no trafficked children had been adopted internationally.

After the Hengyang scandal, intercountry adoption was almost suspended. This unprecedented operational crisis was CCAI’s most difficult period. The organization had accepted applications from many families wanting to adopt, but the adoption process on the Chinese side almost came to a standstill. More and more families with the intention to adopt children had been forced to give up on the idea due to the long wait time. For the first time, CCAI made large-scale layoffs, and no employees received a salary increase between 2006 and 2009.

In 2007, the intercountry adoption restarted, but many things had changed. Firstly, the Chinese government tightened requirements on the intercountry adoption process in its efforts to deal with the challenges. The government revoked the qualification of foreign-related adoption in several provincial orphanages. In fact, it reduced the number of children who were adopted. At the same time, the *Adoption Law* was supplemented and improved. Accordingly, the adopters needed to meet certain educational and economic conditions.

Secondly, the living conditions of orphanages were improved. In 2006, the MCA increased the funds allocated to local governments to build more orphanages or improve the conditions of existing ones. As a result, the orphanages had become less interested in sending their children for adoption. Instead, they wanted to keep the children in the improved facilities.

Thirdly, China’s adoption environment changed. Infertile Chinese couples and couples who had lost their only child became more willing to adopt a child. Most domestic adopters opted for children who were healthy or had only a mild disability. At the same time, Chinese people’s ideas of preferring sons to daughters had also changed. As a result, foreigners had fewer and fewer opportunities to adopt healthy Chinese children. Before 2005, 97 per cent of the children adopted through CCAI were healthy orphans, and most were baby girls. Since 2006, the trend had reversed, with more than 60–70 per cent of adopted children being boys who were severely handicapped.

Transformation and New Development

In 2005, CCAI started to adjust its operation mode and development direction, with more focus on close co-operation with orphanages in an attempt to expand its charity outreach, encourage the adoption of older orphans, expand other countries’ adoption services, and provide in-depth placement support services. CCAI set up a “formula fund” to provide quality meals for orphanage infants, and established the Joyous Chinese Cultural Center to provide cultural education and emotional support to adopted children and their families.

Valuing Co-operation with the Government

In 2004, China issued the *Foundation Management Ordinance*. Three years later, CCAI founded Chinese Children Charities, the first foundation registered in China. The overhead costs of CCAI and the funds of the foundation were completely separate. The foundation withdrew 5–10 per cent of its capital as overhead expenses. The foundation fund received revenue from three main sources: 79 per cent from adoption service fees; 15 per cent from public sports, social aids, and donations; and 6 per cent from other project income. Among the total operation costs of the fund, overhead expenses represented 86.25 per cent, and project costs represented 13.75 per cent.

In April 2008, CCAI entered into a one-to-one partnership agreement with the Civil Affairs Department of Henan Province, the first such partnership project for children with special needs (i.e., older children and children who were disabled) in the history of children’s charities and intercountry adoptions in China. CCAI established seven Lily Orphan Care Centers (LOCCs) in Henan Province. In an LOCC program, a few rooms or a floor in an orphanage was set aside for CCAI. CCAI provided staffing, materials, and money to improve living conditions of the children. These centres provided a model for childcare training that steadily led to the overall improvement of childcare in all of Henan Province.

Many orphanages were reluctant to spend money on completing paperwork for newly arrived abandoned children, which could negatively impact the children’s chances of being adopted. CCAI decided to partly cover these expenses for orphanages, thereby helping newly abandoned children obtain an official foundling certificate, which would legalize their identity, making possible a future intercountry adoption. CCAI also allocated funding for nursery expenses and for the physical examination of children. (In addition to the foundling certificate, the latter was an important criterion for preparing a child for intercountry adoption.) Because of these efforts and educating orphanage leaders about the significance of finding homes for orphans, Henan Province had witnessed a steady increase in adoptions and had seen the most intercountry adoptions of all provinces—at a time when intercountry adoption of most Chinese provinces and cities had been on the decline since 2008.

Turning to Older Children

Older orphanage children generally had a much lower chance of adoption. According to China’s *Adoption Law*, orphans over the age of 14 could not be adopted. Older children had their own friends, held established cultural values, and had lived in an orphanage all their lives. It was difficult for them to be willingly integrated into a new home. In the past, conflicts had occurred between older children and their adoptive families. The conflicts had sometimes even led to the dissolving of the adoption relationship. To address this problem and increase the chances for older orphans to have a permanent family, CCAI started a summer camp program in 2014 for these older children. Orphans between the ages of 5 and 13 were invited to the United States and placed with loving families so that they could get to know each other before any discussion of adoption. This measure effectively reduced the anxiety on both sides and increased the possibility of successful placements. The program had scored huge success in the past three years, enabling the adoption of hundreds of older orphaned children who were otherwise unlikely to be adopted by a “forever family.”

Overseas Projects

CCAI started intercountry adoption programs in Haiti in the wake of the catastrophic 2010 earthquake and, subsequently, launched intercountry adoption programs in Latvia, Ukraine, Bulgaria, and Taiwan. It had also begun to provide domestic adoption services in the United States, but these businesses accounted for only a small proportion—12 per cent—of CCAI’s total adoptions. “We are Chinese and our hearts are for the Chinese orphans. What we really want and what we really hope is to help more Chinese children,” Zhong said.

Post-Adoption Services

“The completion of adoption is just the beginning of our responsibility. Our task is not finished when the children arrive in the United States. These are our Chinese children, and we have to ensure they live a happy life in the United States. We do this through post-adoption support,” Zhong said.

The first batch of orphans adopted through CCAI in 1994 had grown into teenagers. Every year, CCAI organized groups of teenage adoptees to attend a Giving Back Orphan Service Trip to volunteer at Chinese orphanages and work with the children still there. The adoptees were appreciative of their fortune and shared their love with the less fortunate orphaned children.

Also, through co-operation with the Chinese government, CCAI organized Heritage Tours for adoptees and their families to tour China and learn about Chinese culture. These cultural experiences helped the adoptees to better understand and appreciate their roots and heritage, and helped build a stronger bridge between the two countries.

Since its establishment in 1996, the Joyous Chinese Cultural Center (the Center) had been dedicated to introducing traditional Chinese culture to Chinese orphans adopted by Americans. Although in recent years, the Center faced difficulties such as fewer and fewer students and rising costs, the founding couple and the board of directors had decided to continue the service, as they believed the Center played an important role in nurturing the adopted children’s healthy upbringing and self-esteem.

CCAI operated a psychological counselling centre to support adopted children with any issues and struggles they experienced during the course of growing up. This centre was welcomed by both adoptees of all ages and their adoptive families.

In 2008, CCAI launched the Adoptees Camp and Conference. Every year, thousands of adoptees united to support and encourage one another.

CCAI’s Challenges

As of the end of 2017, approximately 40 agencies in the United States specialized in adoptions from China. However, the number of adoptions from China was on the decline year by year (see Exhibit 4). Approximately 98 per cent of the half million children living in China’s orphanages at the end of 2017 had a disability. Among them, 80 per cent had a severe handicap, which meant they had almost zero chance of adoption. The decrease in children available for adoption continued to challenge Zhong and Nie, who were pondering the direction of CCAI’s future development. The possibilities they were strategizing included starting a birth-parent search program, expanding the foster care program, and continuing intercountry adoptions.

Starting a Birth-Parent Search Program

This option would help adopted children to seek their biological parents and relatives. As adoptees grew up, more and more expressed their strong desire to find their biological parents and siblings. CCAI believed it was the adoptees’ right to search, and it was CCAI’s responsibility to assist such efforts.

Expanding the Foster Care Program

CCAI had always believed that no matter how luxurious it was, an orphanage was not a loving home that a child truly belonged to. The Hague Adoption Convention explicitly stated that a stable and loving home was the best environment for a child’s growth. CCAI hoped to co-operate with the Chinese government in promoting and expanding family fostering and reducing orphanages in the future.

Continuing Intercountry Adoptions

For abandoned children and children with disabilities who were living in China’s orphanages, intercountry adoption represented their ultimate hope to find a loving home. Zhong and Nie stressed that as long as orphans and children with disabilities were waiting to be adopted, CCAI would continue to fight for their needs.

Other Options

In addition to enhancing CCAI’s post-adoption services and charitable services, Zhong and Nie had also considered entering the charity evaluation business. In the United States, specialized third-party independent charity assessment agencies, such as Charity Navigator, GuideStar, and GiveWell, rated charitable organizations based on independent surveys and an objective analysis of all charity data. In China, however, the qualifications of charitable organizations needed significant examination, and all charities needed to uphold a much higher standard of operation to gain public trust. Zhong believed that the absence of equitable and transparent third-party assessment agencies presented a niche market in China. In the future, he hoped to draw on advanced international experiences to set up a non-profit charity assessment organization specifically targeting all charities in China.

Their career path was narrowing, but their mission remained. Zhong and Nie were still passionately committed to use their experience, resources, and influence to serve others with their big hearts.

Exhibit 1: ccai Placement Statistics, 2000-2017

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Year** | **Total** | **China** | **China’s HEALTHY** | **China’s WCP/SN** |  |  |  |  |  |  |
| 2001 | 608 | 608 | 581 | 27 |  |  |  |  |  |  |
| 2002 | 745 | 745 | 684 | 61 |  |  |  |  |  |  |
| 2003 | 791 | 791 | 728 | 63 |  |  |  |  |  |  |
| 2004 | 957 | 957 | 872 | 85 |  |  |  |  |  |  |
| 2005 | 1162 | 1162 | 1054 | 108 |  |  |  |  |  |  |
| 2006 | 767 | 767 | 568 | 199 |  |  |  |  |  |  |
| 2007 | 613 | 613 | 460 | 153 |  |  |  |  |  |  |
| 2008 | 422 | 422 | 203 | 219 |  |  |  |  |  |  |
| 2009 | 443 | 443 | 204 | 239 | **Haiti** |  |  |  |  |  |
| 2010 | 580 | 536 | 179 | 357 | 44 |  |  |  |  |  |
| 2011 | 435 | 430 | 134 | 296 | 5 |  |  |  |  |  |
| 2012 | 478 | 470 | 86 | 384 | 8 | **Domestic** |  |  |  |  |
| 2013 | 390 | 343 | 56 | 287 | 39 | 8 | **Latvia** |  |  | **OCA** |
| 2014 | 455 | 399 | 26 | 373 | 29 | 9 | 17 | **Ukraine** | **Bulgaria** | 1 |
| 2015 | 437 | 403 | 13 | 390 | 4 | 2 | 15 | 11 | 1 | 1 |
| 2016 | 467 | 410 | 10 | 400 | 6 | 6 | 28 | 13 | 3 | 1 |
| 2017 | 395 | 345 | 4 | 341 | 7 | 0 | 10 | 30 | 3 | 0 |

Note: Among the 345 orphans CCAI placed in 2017, only 4 children (1.1 per cent) were considered or labelled “healthy,” so the placement of children with special needs represents 98.9 per cent of total adoption; WCP = Waiting Child Program; SN = Special Needs (children); OCA = Other Countries Adoption (sometimes people who adopt from countries where CCAI is not providing placement service come to CCAI for home study services).

Source: Company files.

Exhibit 2: Basic Process for American Citizens Adopting Orphans and Children with disabilities from China

1. File an application with a Hague-accredited adoption agency;
2. After the application is approved, receive training on the adoption process;
3. Receive a survey by the adoption agency to see whether the adopter has any record of child abuse in all the regions (countries) where he/she has lived after age 18;
4. The adoption agency contacts three to five referees of the adoption applicant to obtain their written reference letters on parenting capacity assessment;
5. Receive home study (lasting for two months) by licensed social workers;
6. The adoption applicant applies to USCIS to adopt a foreign child and goes through DNA fingerprinting; at the same time, the adoption agency submits a home study report ratified by USCIS (lasting three months);
7. Collect documents required by the Chinese government (lasting six months):
8. Application for adoption
9. Certificate of birth
10. Certificate of marriage (certificate of divorce, proof of death)
11. Proof of family possessions
12. Certificate of employment (or certificate of unemployment); certificate of clearance (issued by police station); medical check report
13. Hague Adoption Approval issued by USCIS
14. Home Study Report

All documents should be notarized by a notary public, and authenticated by the Secretary of State, the Chinese Embassy, and the Chinese Consulate.

Exhibit 2 continued

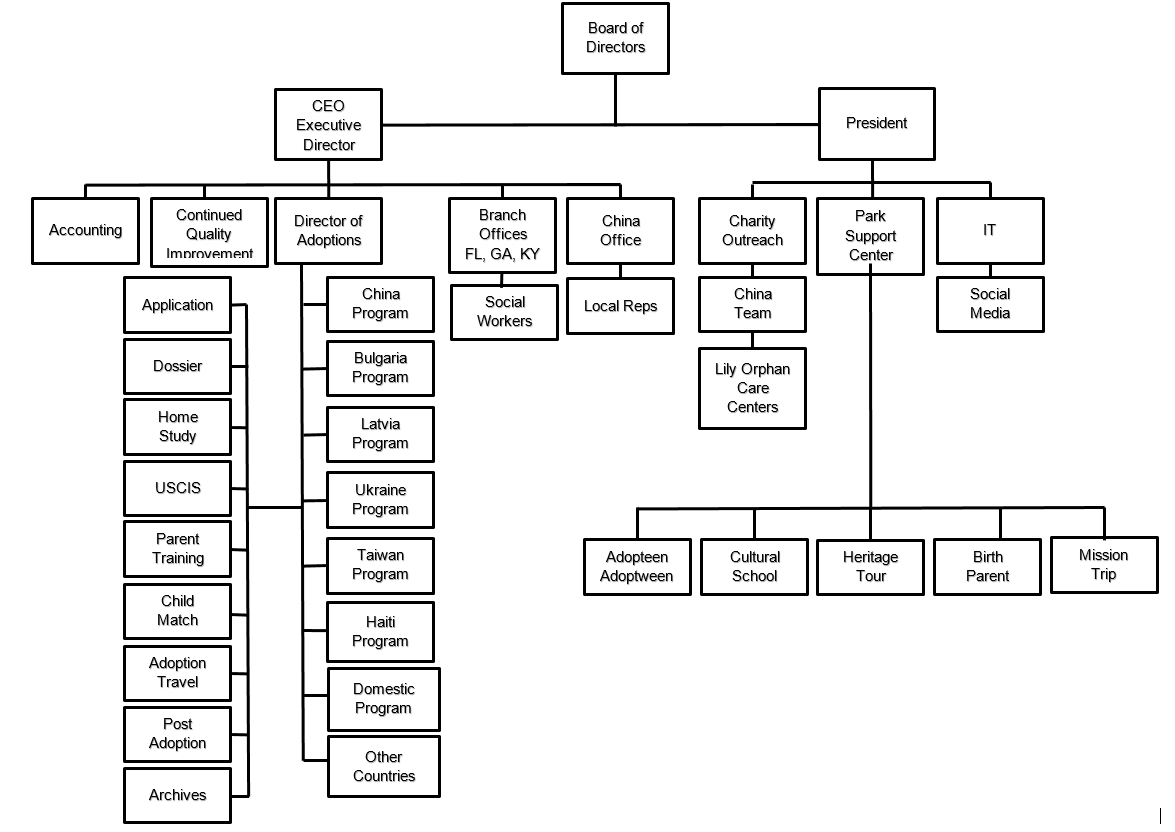
1. The adoption agency submits the above documents to the China Center for Children’s Welfare and Adoption;
2. The China Center for Children’s Welfare and Adoption reviews the adopter’s dossier for approval;
3. The adopter receives parent training offered by the adoption agency (12–24 hours):
4. Intercountry adoption
5. Parenting/child-rearing knowledge
6. Intimacy between adoptive parents and child(ren)
7. Chinese culture
8. Adoption from China
9. Challenges faced by interracial and multi-racial families
10. Psychological and physical development of adoptive children
11. Preparations for adopting children with special needs in terms of insurance, medical health, family life, and social environment
12. The China Center for Children’s Welfare and Adoption matches healthy children (10+ years) with qualified adoptive families; the adoption agency (CCAI) arranges children with special needs/disabled children (two weeks to two years) for qualified adoptive families;
13. The China Center for Children’s Welfare and Adoption sends a “Letter of Adopter’s Opinions” (1–4 months);
14. The adopter submits the adoption dossier to USCIS and applies for approval of the Hague Adoption Convention (one month);
15. After USCIS approves the Hague Adoption Convention, it transfers the dossier to the US Consulate General in Guangzhou through the Department of State Visa Office (two weeks);
16. The US Consulate General in Guangzhou signs the adoption approval document on behalf of the U.S. federal government (two weeks);
17. The adoption agency submits the signed Letter of Adopter’s Opinions and the U.S. government’s approval document to the China Center for Children’s Welfare and Adoption;
18. The China Center for Children’s Welfare and Adoption sends a “Notice of Adoption from China” to the prospective adoptive family (three weeks);
19. The adoptive family goes to China for the adoption (staying in China for 2.5 weeks);
20. Adoption registration
21. Adoption notarization
22. Passport
23. Immunological and tuberculosis tests, physical checks
24. Interview with the U.S. consulate to get a visa
25. Post-adoption services (lasting five years)
26. Licensed social workers provide post-adoption follow-up;
27. The adoption agency provides six subsequent reports, medical reports, remarks from the child’s teachers, and life photos of the family and the child in the first six months, 12th month, second year, third year, fourth year, and fifth year to the China Center for Children’s Welfare and Adoption;
28. Helps the family complete court authentication and obtain a new certificate of birth and social security number.

The whole adoption process takes 1.5 years (children with special needs/disabled children) to 10.5 years (normal children), plus five more years of post-adoption follow-up services.

Note: A Hague-accredited adoption agency refers to an adoption agency that is located in a country that has ratified the Hague Convention on Protection of Children and Co-operation in Respect of Intercountry Adoption (also known as the Hague Adoption Convention). This convention protects the interest of children first, biological parents second, and adopters last. China and the United States have both ratified the Hague Adoption Convention; USCIS = U.S. Citizenship and Immigration Services; CCAI = Chinese Children Adoption International.

Source: Company files.

Exhibit 3: Organizational Chart of ChinESE Children Adoption International



Note: CEO = chief executive officer; FL = Florida; GA = Georgia; KY = Kentucky; IT = information technology; USCIS = U.S. Citizenship and Immigration Services; AGBOST = Adoptees Giving Back Orphanage Service Trip.

Source: Company files.

Exhibit 4: Changes in Adoptions by Chinese Families, 2009–2016

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Indicator** | **2009** | **2010** | **2011** | **2012** | **2013** | **2014** | **2015** | **2016** |
| Adoptions | 44,260 | 34,529 | 31,424 | 27,278 | 24,460 | 22,772 | 22,348 | 18,736 |
| Annual growth rate | 4.8 | (22.0) | (9.0) | (13.2) | (10.3) | (6.9) | (1.9) | (16.2) |

Source: Ministry of Civil Affairs of the People’s Republic of China, “Bulletin on Statistics of Social Service Development of 2016 [in Chinese],” August 3, 2017, accessed July 28, 2018, www.mca.gov.cn/article/sj/tjgb.

1. Total U.S.-China adoption in 2017 according to the U.S State Department’s number was 1905 (“China Adoption Notice: Changes to Requirements for Adoption Application Dossiers Submitted by Foreigners,” Travel.State.Gov: U.S. Department of State—Bureau of Consular Affairs, last updated July 19, 2017, accessed June 16, 2019, <https://travel.state.gov/content/travel/en/Intercountry-Adoption/Intercountry-Adoption-Country-Information/China.html>). See the far right lower corner for 2017 numbers. CCAI adoption in 2017 was 345. CCAI did 18.11 per cent of total U.S. adoption in 2017. China placed a total of 2228 orphans with foreign adoptive parents world-wide in 2017 (“2017 Statistical Report on Service Development [in Chinese],” Chinese Ministry of Civil Affairs, accessed June 16, 2019, www.mca.gov.cn/article/sj/tjgb/2017/201708021607.pdf). CCAI’s 345 placement represents 15.4 per cent of total world adoption from China. [↑](#footnote-ref-1)
2. Fan Ke, Transnational Adoption and Transcultural “Home”: A Case Study of the China Adoption by American Parents, History of Overseas Chinese, 2011(01):1-11. [↑](#footnote-ref-2)
3. ¥ = RMB = Chinese renminbi; ¥1 = US$6.92 on June 16, 2019; all currency amounts are in ¥ unless otherwise specified. [↑](#footnote-ref-3)
4. Southern News Network, “Foreign Adoptions Fell to a Minimum of 17 Years [in Chinese],” News.Ifeng.com: Phoenix Network Information, February 27, 2013, accessed July 28, 2018, http://news.ifeng.com/gundong/detail\_2013\_02/27/22522782\_0.shtml. [↑](#footnote-ref-4)
5. “Acquired 78 Soldiers who were Trafficked, Hengyang 6 Welfare Institute [in Chinese],” Sina: Shanghai Youth Daily, February 25, 2006, accessed July 28, 2018, http://news.sina.com.cn/c/2006-02-25/13378300817s.shtml. [↑](#footnote-ref-5)
6. Tu Zhonghang, “Individual Welfare Homes are Questioned by Collecting Income From [in Chinese],” Sina: Beijing News,June 9, 2011, accessed July 28, 2018, http://news.sina.com.cn/c/sd/2011-06-09/020422608230.shtml. [↑](#footnote-ref-6)