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INTELLIGENCE ASSESSMENT


PRC Foreign Interference in Canada: A Critical National Security Threat



Intelligence Assessments Branch
Direction de l'évaluation du renseignement



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CSIS IA 2021-22/31A

PRC Foreign Interference in Canada: A Critical National Security Threat

The People's Republic of China's (PRC's) foreign interference (FI) activities in Canada continue to be sophisticated, pervasive and persistent.¹ To conduct these threat activities, the Chinese Communist Party (CCP) leverages a range of Party (e.g., the United Front Work Department [UFWD]), government (e.g., the diplomatic corps) and non-government assets (e.g., community groups and trusted contacts). The PRC is unique in how it conducts such activities; it uses a complex array of both overt and covert mechanisms (e.g., open media, clandestine influence through third parties, forceful silencing of critics, etc.) to achieve its goals. These mechanisms are enabled through a vast range of resources. (S//CEO)

This document serves as a baseline for understanding the intent, motives and scope of PRC FI in Canada. It explains why the PRC's approach to influence is different than Canada's; the nature of the UFWD as well as united front work; why the PRC is interested in Canada; and, the focus and impact on PRC FI on Canada. (S//CEO)

Key Assessments

- The PRC is the foremost perpetrator of FI activity in Canada; it pragmatically targets all levels of government (including provincial and municipal levels), in addition to various facets of Canadian society, notably vulnerable diaspora groups, media entities, dissidents, activists, elites, elected officials, and academics. (S//CEO)
- Canada is a high-priority target for PRC FI. The PRC intends to use Canada and Canadians to proactively support PRC interests. This includes having Canada reject 'problematic' PRC-related US policies, support international PRC initiatives, positively portray the PRC, and generally defer to PRC authority. Absent real disincentives (e.g., a 'foreign agent' registry, indictments for FI actors, etc.), PRC FI activities targeting Canada and Canadians is expected to continue and increase over time. (S//CEO)
- United front work includes a spectrum of overt as well as clandestine and deceptive approaches used by PRC officials and diplomats. This work, which is guided by the UFWD, often takes place in a legal and normative 'grey zone,' and is antithetical to liberal-democratic governance and the rule of law. (S//CEO)

¹ "Foreign interference" in this context refers to activities covered by Section 2(b) of the CSIS Act, i.e., "foreign influenced activities within or relating to Canada that are detrimental to the interests of Canada and are clandestine or deceptive or involve a threat to any person". For additional information, see CSIS IA 2017-18/10, "Chinese Foreign Influenced Activities in Canada: Sophisticated, Pervasive and Persistent". (S//CEO)



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How are the PRC's Diplomacy and Influence Efforts Different from Our Own?

1. The PRC's approach to diplomatic influence is fundamentally different than that of Canada's. While Canada works transparently through recognized diplomatic practices to achieve specific policy outcomes or objectives (e.g., trade negotiations with the United States), the CCP seeks to exercise long-term and full-scale influence on issues that are relevant to its strategic objectives. To do so, the Party often leverages non-transparent methods — at times using clandestine, deceptive and threatening tools and methodologies to interfere in areas of interest. These influence and interference efforts are supported by an opaque and large bureaucracy comprised of overlapping state and Party organizations that are specifically designed to conduct FI activities. The UFWD is critical to these efforts, and actively seeks to conduct and support FI activities to further CCP interests, including co-opting foreign entities (especially elites) through the promulgation of united front work. (S//CEO)

2. The PRC does not hold or adhere to numerous well-established Western norms (e.g., transparent governance and an independent judiciary). Rather, it views these norms as existential threats to the PRC's political stability and development model. Accordingly, it is willing to use a variety of coercive and deceptive practices as part of its 'normal' diplomatic activities to achieve long-term strategic goals. [REDACTED]

[REDACTED] (S//CEO)

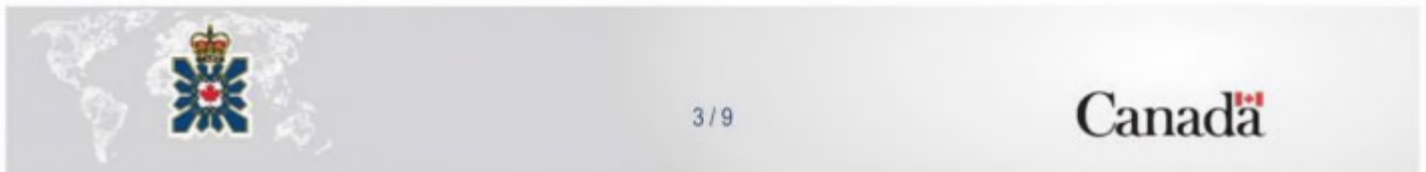
What is the UFWD and United Front Work?

3. The UFWD reports directly to the Central Committee of the CCP and is a Party entity, not a government entity. The UFWD's primary role is to ensure, via its vast network, that united front work (i.e., work to strengthen a united front coalition that furthers the influence and interests of the CCP) is carried out effectively both inside and outside the PRC. The UFWD takes a leading role in carrying out FI work abroad as one of Xi Jinping's 'magic weapons' to further CCP priorities. (S//CEO)

4. While united front work is primarily conceived, implemented and overseen by the UFWD, numerous other elements within the PRC are involved in united front work and FI activities more generally. All party members and PRC government departments — such as the Ministry of Foreign Affairs (MFA) and their employees — are also responsible. As part of routine functions, PRC diplomats actively participate in directing, organizing and monitoring united front activity. (S//CEO)

5. United front work involves the co-optation of entities abroad (especially elites) to expand the Party's support base, while marginalizing and silencing opponents. While some work is done overtly, clandestine and deceptive efforts are part of the established 'playbook'. This includes a spectrum of activities, spanning overt diplomatic practice through to clandestine, deceptive and coercive activities that take place in a legal and normative grey zone. The line between 'influence' and 'interference' by the PRC is often intentionally blurred. (S//CEO)

6. The CCP uses incentives and punishment to achieve its united front work objectives. For example, a key objective of PRC FI and united front work involves instilling fear that criticizing the PRC will negatively impact bilateral relationships and jeopardize access to the PRC market. Being deferential, however, invites opportunity. This system of reward and punishment results in certain actors (most notably third parties acting on behalf of the state) seeking to proactively conduct united front work without specific state tasking. Targets of united front work include diaspora communities, businesspeople, academics, politicians and political staffers, media, and religious communities. (S//CEO)



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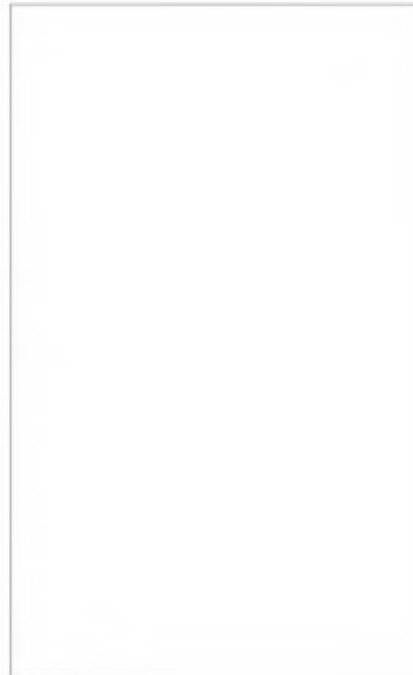
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Why is the PRC Interested in Canada?

7. Canada is a high-priority target for the Party for three reasons. (i) Canada is an important member of the Five-Eyes community (a grouping of significant interest to the Party, given its intelligence collection capabilities); (ii) Canada has a robust international reputation that can be used or co-opted to help legitimize Party interests; and (iii) Canada is a reliable and open trading partner with an advanced, knowledge-based economy that can support PRC development objectives, particularly in science and technology. The CCP is also keenly interested in Canada given that it is home to one of the largest PRC-linked diaspora communities globally. The Party ultimately wishes to use Canada and Canadians to proactively support PRC interests; this includes rejecting and publicly criticizing US policies (specifically those harmful to the PRC), supporting international PRC initiatives (e.g., the Belt and Road Initiative), positively portraying the PRC and the Party itself, and a general 'deference' to the PRC's authority and interests. (S//CEO)

8. The primary goal of PRC FI activities in Canada is to further Party-state interests in a manner that protects and enhances the legitimacy and stability of the CCP domestically and abroad. To achieve these goals, PRC FI actors seek to target and leverage Canadian entities that are perceived to impact important CCP interests. While members of the broader Chinese diaspora tend to be the focus of PRC FI activities, the PRC is pragmatic and seeks to target and use any individual of potential value through either inducements or coercive means. (S//CEO)



(S//CEO)

What is the Focus and Impact of PRC FI in Canada?

9. CSIS assesses that the PRC is the foremost perpetrator of FI activities targeting Canada. (S//CEO)

- The PRC targets all levels of government (including the provincial and municipal levels), and various facets of Canadian society (e.g., diaspora groups, the general public, media entities). FI activities often transcend party lines, ideologies and ethnic backgrounds, and often take place over a period of several years. It is also important to note that PRC FI threat actors are largely pragmatic and tend to pursue paths of least resistance. (S//CEO)
- PRC-linked threat actors — including third parties such as friendly community groups and trusted contacts/interlocutors acting on the behalf of the PRC state — regularly target non-federal stakeholders (e.g., municipalities and provinces).

The PRC targets municipal-level actors in particular as a means of generating 'bottom-up' pressure on higher levels of government (e.g., provincial, federal) to influence policies to the benefit of the PRC. PRC FI threat actors may also target officials below the federal level via long-term cultivation efforts with an end goal of assisting these





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individuals in securing higher office in the future. In some cases, the PRC seeks to target First Nations and Indigenous communities to achieve similar goals. (S//CEO)

Targeting of Democratic and Electoral Institutions and Processes

10. [redacted] the PRC categorizes individuals into three groups in relation to FI: (i) supporters; (ii) those ambivalent to the PRC and/or those who can be convinced to be "pro-PRC" (as per the CCP's definition); and (iii) those firmly opposed to the PRC. PRC FI activities targeting Canada's democratic institutions are primarily motivated by a desire to cultivate relationships with and support political candidates and incumbents who seem receptive to or are actively promoting PRC or CCP-friendly viewpoints. The CCP will also seek to co-opt those who do not openly oppose or speak out against the PRC or the Party and convince them to adopt PRC-friendly positions and speak out against a broad range of what is perceived to be "anti-PRC" ones (e.g., raising human rights concerns about the PRC, travelling to Taiwan in an official capacity, etc.). (S//CEO)

- [redacted] (S//CEO)

- [redacted] the PRC [redacted] was attempting to build relationships [redacted] (S//CEO)

- [redacted] (S//CEO)

11. The PRC also targets political staffers. Staffers control schedules and often act as 'gatekeepers' for their employers; these staff are thereby placed in positions where they can clandestinely and deceptively control and influence the activities of elected and appointed officials in ways that support PRC or CCP interests. This occurs in many ways, such as ensuring specific community group requests are not seen or responded to; framing talking points to reflect CCP narratives; or holding public events at specific locations of interest to the PRC (e.g. a business owned by a PRC proxy or a culturally significant location such as a city hall or legislative building). (S//CEO)

- [redacted]





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[Redacted] (S//CEO)

Media Interference, "Managing the Message" and Positively Portraying the Party

12. Chinese-language media outlets operating in Canada, along with members of the Chinese-Canadian community, are primary targets for PRC-directed foreign-influenced activities in the media realm. However, PRC officials are increasingly looking to target individuals who do not consume Chinese-language media. In Canada, PRC FI actors have sought to promote voices that portray the PRC positively and "tell the China story well" in an effort to bolster the Party's reputation and counter what the CCP views as "anti-PRC" or "anti-Party" narratives in the West. (S//CEO)

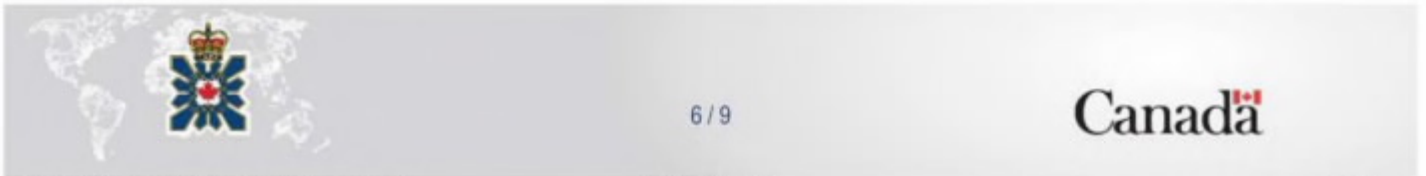
- PRC government influence over Chinese-language media has become increasingly problematic. In late 2020, for example, the former editor for Sing Tao, a popular Chinese-language publication in Canada, risked the ire of Beijing by publicly noting that "Beijing has become the mainstream now in Chinese newspapers or magazine[s]" in Canada. The former editor noted that Canada is now devoid of any "independent and non-partisan" media outlet that deals with "Chinese affairs". (C)

- PRC FI actors have sought to use Canada-based media outlets to shape Canadian opinions. [Redacted]
[Redacted] (S//CEO)

Harassment, Intimidation and Coercion of Entities in Canada by the PRC

13. The CCP regularly targets members and groups from what it refers to as the 'Five Poisons': entities associated with the Falun Gong, Taiwan/Taiwanese independence, Tibet/Tibetan independence, Xinjiang separatism/Uyghur minorities, and pro-democracy movements (especially in relation to Hong Kong). The CCP perceives these groups as critical threats to the Party's stability and legitimacy. The PRC attempts to intimidate and silence members of these communities through a variety of coercive means that can include the threatening of family members in the PRC and/or the denial of visas to those wishing to travel back to visit. (S//CEO)

- [Redacted] (S//CEO)
- [Redacted]



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[REDACTED]

[REDACTED] (S)

Anti-Corruption Campaigns, FOXHUNT/SKYNET

14. The CCP's politically driven anti-corruption campaigns play an important role in Party efforts to maintain regime stability and legitimacy. Certain victims of anti-corruption campaigns are almost certainly targets of political convenience. In Canada, these campaigns have manifested themselves via the PRC government "FOXHUNT/SKYNET" campaign. The campaign likely continues to be an issue of high interest to the PRC government and a key part of the CCP's so-called anti-corruption strategy, which is publicly referenced as having the dual purpose of targeting Xi's political opponents as well as those who may actually be corrupt. (S//CEO)

- In an official Chinese-language press statement from February 2021, two PRC government entities directly involved in FOXHUNT/SKYNET noted that, on February 24, 2021, the PRC government officially launched "Skynet 2021" [REDACTED]. A March 2021 statement from the same entities further notes that, since the launch of the campaign in 2015, the PRC government had successfully 'recovered' over 8,100 alleged 'fugitives'. [REDACTED]
[REDACTED] (C)
- [REDACTED], a list of Vancouver-based 'fugitives' was placed online in October 2020, reflecting PRC 'name and shame' tactics used to pressure Canada-based individuals targeted under FOXHUNT/SKYNET. Canada-based Chinese-language media outlets have previously published in-depth 'profiles' on specific individuals in order to coerce these individuals to return to the PRC. (C)

Online Targeting and Social Media Manipulation

15. [REDACTED]
PRC threat actors are increasingly using the online space – including social media platforms such as Twitter and Facebook – to spread propaganda and disinformation on issues of importance to the Party (e.g., Hong Kong, Xinjiang) and to target dissidents. These activities can include the use proxies and bots, as well as state officials (e.g., diplomats and journalists). Certain social media platforms, notably Twitter, Facebook and YouTube, have already taken action to address PRC online interference efforts, for example, by closing accounts linked to suspected PRC-linked inauthentic activity (e.g., use of bots). (S//CEO)

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[Redacted]
[Redacted] (S//CEO)

- In March 2021, Facebook's threat intelligence team released a report about a group of PRC-based hackers known in the security industry as "Earth Empusa" or "Evil Eye". This group, which used various tactics such as fake accounts on Facebook to create fictitious personas, reportedly targeted "activists, journalists and dissidents predominantly among Uyghurs from Xinjiang" who were living outside the PRC, including in Canada. According to Facebook, this group used "various cyber espionage tactics" to identify targets and infect their devices with malware to "enable surveillance". Facebook concluded that this activity "had the hallmarks of a well-resourced and persistent operation". While Facebook itself did not specifically accuse the PRC government of engaging in or sponsoring these activities, FireEye Mandiant Threat Intelligence analysis director Ben Read noted that he believed "this operation was conducted in support of the [Chinese] government, which frequently targets the Uyghur minority through cyber espionage activity".² Open sources also indicate that FireEye research assisted Facebook in its efforts. (C)

Outlook

16. CSIS has investigated PRC threat-related activities in Canada for over three decades. While the PRC has become arguably more aggressive in asserting its national interests under President Xi Jinping, the Party-state has repeatedly demonstrated over the span of several decades that it is extremely willing to engage in clandestine, deceptive and threatening interference activities in Canada whenever necessary. PRC-linked FI threat actors almost certainly perceive their activities in Canada to be low-risk and high-reward and seek to target fundamental facets of Canada's open society and democracy to achieve certain outcomes. Threat actors specifically seek to manipulate, misuse and co-opt Canadian institutions to further the interests of the CCP via a system of reward and punishment to use Canadian voices to further united front work and Party interests. CSIS assesses that these PRC FI activities targeting Canada will continue – if not intensify – in the near future, especially as the CCP increasingly seeks to drive wedges between the United States and its allies. (S//CEO)

² FireEye is a California-based cybersecurity company specializing in the detection and prevention of cyber attacks. In 2013, FireEye acquired Mandiant, a private company known for investigating high-profile hacking groups. FireEye Mandiant is considered to be an authority on cybersecurity, and has been involved in providing advice to a range of government departments, [Redacted]



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