

For Public Release

2020-11-24

Unclassified



FOREIGN ACTOR INTERFERENCE: OPEN SOURCE ASSESSMENT

Document written with information available as of 2020-11-20

Purpose/Issue

To provide an assessment of open source information as it relates to Canada's response to foreign actor interference (FAI).

Operation Fox Hunt

Operation Fox Hunt has been and continues to be in the media spotlight. The Canadian Security Intelligence Service (CSIS) publicly acknowledged that Canada is a target of the global campaign of intimidation employed by the Chinese Communist Party (CCP) – "Beijing routinely uses undercover state security officials and "trusted agents", or proxies to target members of Canada's Chinese community in an effort to silence critics of President Xi Jinping, including threats of retribution against their families back in China".¹

Operation Fox Hunt, also known as operation Skynet, is a "global anti-corruption campaign" spearheaded by the CCP General Secretary Xi Jinping. The campaign was first launched in 2014 and sought to repatriate Chinese 'economic fugitives' living outside of China who have been accused of financial crimes – namely CCP officials accused of embezzlement. Under the direction of the CCP's Central Commission for Discipline Inspection (CCDI), Chinese agents and their proxies are dispatched or directed from abroad to covertly extradite Chinese nationals accused of committing financial crimes and bring them back to China to face criminal punishment.^{2,3}

FBI Director Christopher Wray has dismissed the idea that Fox Hunt is an anti-corruption campaign and suggests that it is designed to target Chinese nationals whom General Secretary Xi Jinping sees as threats who live outside of China – political rivals, dissidents, and critics.⁴

The CCP employs numerous methods to threaten or intimidate its targets in order to have them return to China or silence them. This includes harassment and intimidation via social media and/or telephone calls, visits to a victim's residence by CCP officials or their proxies and threats directed at family members. As a CSIS representative stated "These tactics can be used as cover for silencing dissent, pressuring political opponents and instilling a general fear of state power no matter where a person is".⁵

Recent events in the United States have further illustrated the prevalence of Fox Hunt activities occurring in Western Countries. On October 28, 2020, FBI Director Wray announced that the

Page 1 of 4

This document is the property of the Royal Canadian Mounted Police (RCMP), Federal Policing National Security. It is loaned specifically to your department/agency in confidence and for internal use only, and it is not to be reclassified, copied, reproduced, used or further disseminated, in whole or in part, without the consent of the originator. It is not to be used in affidavits, court proceedings, subpoenas or any other legal or judicial purpose without the consent of the originator. The handling and storing of this document must comply with handling and storage guidelines established by the Government of Canada for classified information. If your department/agency cannot apply these guidelines, please read and destroy this document. This caveat is an integral part of this document and must accompany any extracted information. For any enquiries concerning the information or the caveat, please contact the Director, Federal Policing National Security, RCMP.

For Public Release

2020-11-24

Unclassified



Department of Justice had laid charges against eight individuals – five of which have been arrested – for allegedly engaging in Fox Hunt activity.⁶ According to FBI documents deposited in court, one of the accused met with a People’s Republic of China lobbyist (operative) in Canada. The Chinese embassy in Canada provided a statement to La Presse from a spokesperson of the Ministry of Foreign Affairs, Wang Wenbin, who stated that “the United States’ accusations are just rumors and defamatory statements”.⁷

The Ministry of Foreign Affairs for China has denied that CCP officials or their proxies are targeting Chinese diaspora communities with threats and intimidation, however, the recent charges laid in the United States as well as the public statement from CSIS appears to put that claim into question. According to Richard Kurland, a Vancouver-based immigration lawyer, “this intimidation from China on Canadian soil has become ‘standard operating procedure’ now... Such direct pressure would be virtually unheard of 15 to 20 years ago”.⁸

Canada’s Posture Towards Extradition and FAI

Canada does not currently have an extradition treaty with China. This is consistent with most other Western countries such as the United States, Britain, and New Zealand. As a result, China has resolved to use surreptitious methods to extradite Chinese ‘fugitives’ back to China. Critics of a proposed extradition treaty with China have cited concerns with China’s lack of legal due process, use of the death penalty – even for economic crimes – and the use of torture.⁹ Canada recently suspended its extradition treaty with Hong Kong in June, 2020, after China imposed its new national security law on the region.¹⁰

Notwithstanding the implications of the CCP’s nebulous National Security law, Canadians are becoming more concerned with the threat posed to their security by foreign powers, including the Chinese Communist Party. These concerns have been echoed by Canadian politicians. On November 18, 2020, the opposition parties passed a motion in the House of Commons calling on the government to table a plan within 30 days to address the issue of growing intimidation by China of Canadians within Canada’s borders.¹¹ As Conservative Party leader Erin O’Toole stated during a press conference on Parliament Hill, “Canadians of Chinese origin have been threatened by foreign agents in our country”. “There is no greater threat to Canada’s interests than the rise of China in global affairs”.¹²

With the motion passed in the House of Commons, O’Toole pointed to Australia’s foreign interference law as a model for Canada to emulate – “that country passed legislation in 2018 to toughen penalties on espionage while also requiring individuals or organization acting in the interests of foreign powers to register and disclose their ties”.¹³ Currently, the RCMP is mandated to investigate Fox Hunt related activity – “foreign influenced activities within or relating to Canada that are detrimental to the interests

Page 2 of 4

This document is the property of the Royal Canadian Mounted Police (RCMP), Federal Policing National Security. It is loaned specifically to your department/agency in confidence and for internal use only, and it is not to be reclassified, copied, reproduced, used or further disseminated, in whole or in part, without the consent of the originator. It is not to be used in affidavits, court proceedings, subpoenas or any other legal or judicial purpose without the consent of the originator. The handling and storing of this document must comply with handling and storage guidelines established by the Government of Canada for classified information. If your department/agency cannot apply these guidelines, please read and destroy this document. This caveat is an integral part of this document and must accompany any extracted information. For any enquiries concerning the information or the caveat, please contact the Director, Federal Policing National Security, RCMP.

For Public Release

2020-11-24

Unclassified



of Canada and are clandestine or deceptive or involve a threat to any person" – as defined in "threats to the security of Canada" under section 2 of the CSIS Act.¹⁴

Following the CSIS report and concerns voiced in the House of Commons, Foreign Affairs Minister Francois-Philippe Champagne said attempts by China and other countries to intimidate people on Canadian soil "will not be tolerated" and that "the RCMP will continue to investigate, with a view to laying charges under the Criminal Code". He added that "the Public Safety Minister will come soon with additional measures to protect the safety and security of Canadians".¹⁵

Analysis/Considerations

- The RCMP will play an important role in developing a comprehensive strategy with security and intelligence partner agencies in Canada and abroad to detect, deter, and prevent the clandestine coercion of Canadians by the foreign states.
- With the growing influence of the CCP in Canada and the potential for new foreign interference laws, it is clear that this growing threat will need to be addressed by a whole-of-government strategy involving the Canadian security and intelligence community. As Canada's national law enforcement agency, The RCMP will undoubtedly play a crucial role in this strategy.

Strategic Considerations

- Should Canada enact foreign interference laws modeled on Australia's laws, China will most likely retaliate with its coercive economic diplomacy as has been the case in Australia. It would further strain diplomatic relations between Canada and China as is evidenced by the detention of Michael Kovrig and Michael Spavor.

Page 3 of 4

This document is the property of the Royal Canadian Mounted Police (RCMP), Federal Policing National Security. It is loaned specifically to your department/agency in confidence and for internal use only, and it is not to be reclassified, copied, reproduced, used or further disseminated, in whole or in part, without the consent of the originator. It is not to be used in affidavits, court proceedings, subpoenas or any other legal or judicial purpose without the consent of the originator. The handling and storing of this document must comply with handling and storage guidelines established by the Government of Canada for classified information. If your department/agency cannot apply these guidelines, please read and destroy this document. This caveat is an integral part of this document and must accompany any extracted information. For any enquiries concerning the information or the caveat, please contact the Director, Federal Policing National Security, RCMP.

For Public Release

2020-11-24

Unclassified



References

- ¹ Chase, Steven. (10 November, 2020). CSIS warns China's Operation Fox Hunt is targeting Canada's Chinese community. Retrieved November 17, 2020, from <https://www.theglobeandmail.com/politics/article-csis-warns-chinas-operation-fox-hunt-is-targeting-canadas-chinese/>
- ² Fullerton, Jamie. (29 March 2015). Operation Skynet: China's anti-corruption campaign goes international as Beijing reaches out to uncover officials fled abroad. Retrieved 13 November, 2020, from <https://independent.co.uk/news/world/asia/operation-skynet-china-s-anti-corruption-campaign-goes-international-beijing-reaches-out-uncover-officials-fled-abroad-10142310.html>
- ³ Gao, Charlotte. (27 September, 2017). China's Overseas Anticorruption Operation Bags Another Suspect. Retrieved 13 November, 2020, from <https://thediplomat.com/2017/09/chinas-overseas-anticorruption-operation-bags-another-suspect/>
- ⁴ Joscelyn, Thomas. (8 July, 2020). How China Tries to Intimidate Its Dissidents Living Overseas – Explaining the CCP's "Fox Hunt" program. Retrieved 12 November, 2020, from <https://www.fdd.org/2020/07/08/how-china-intimidates-dissidents-overseas/>
- ⁵ Chase, Steven. (10 November, 2020). CSIS warns China's Operation Fox Hunt is targeting Canada's Chinese community. Retrieved November 17, 2020, from <https://www.theglobeandmail.com/politics/article-csis-warns-chinas-operation-fox-hunt-is-targeting-canadas-chinese/>
- ⁶ Barrett, Devlin. (28 October, 2020). U.S. arrests five alleged Chinese agents, accusing them of targeting dissidents. Retrieved 13 November, 2020, from https://www.washingtonpost.com/national-security/fbi-china-arrests/2020/10/28/5e9bf01a-192c-11eb-befb-8864259bd2d8_story.html
- ⁷ Larouche, Vincent. (31 October, 2020). Une opération coordonnée à partir du Canada, selon un accusé. La Presse. Retrieved 12 November, 2020, from <https://www.lapresse.ca/actualites/2020-10-31/campagne-d-intimidation-coordonnee-a-partir-du-canada-selon-un-accuse.php>
- ⁸ Chase, Steven. (10 November, 2020). CSIS warns China's Operation Fox Hunt is targeting Canada's Chinese community. Retrieved 17 November, 2020, from <https://www.theglobeandmail.com/politics/article-csis-warns-chinas-operation-fox-hunt-is-targeting-canadas-chinese/>
- ⁹ Russell, Andrew. (21 September, 2016). Canada-China extradition treaty: Here's what you need to know. Retrieved 17 November, 2020, from <https://globalnews.ca/news/2953881/canada-china-extradition-treat-heres-what-you-need-to-know/>
- ¹⁰ (3 July, 2020). Canada suspends extradition treaty with Hong Kong over new security law. Retrieved on 19 November, 2020, from <https://www.cbc.ca/news/politics/canada-suspending-extradition-treaty-hong-kong-over-security-law-1.5636479>
- ¹¹ (18 November, 2020). Parliament passes Conservative motion to demand government decision on Huawei and 5G. Retrieved on 20 November, 2020, from <https://www.cbc.ca/news/politics/china-huawei-motion-conservative-parliament-1.5807407>
- ¹² Tasker, John Paul. (17 November, 2020). As Conservatives call for crackdown, O'Toole calls Chinese influence a grave 'threat' to Canada. Retrieved 20 November, 2020, from <https://www.cbc.ca/news/politics/otoole-china-greatest-threat-1.5804972>
- ¹³ Tasker, John Paul. (17 November, 2020). As Conservatives call for crackdown, O'Toole calls Chinese influence a grave 'threat' to Canada. Retrieved 20 November, 2020, from <https://www.cbc.ca/news/politics/otoole-china-greatest-threat-1.5804972>
- ¹⁴ (Modified 13 November, 2020). Canadian Security Intelligence Service Act (R.S.C., 1985, c. C-23). Retrieved 20 November, 2020, from <https://laws-lois.justice.ca/eng/acts/C-23/section-2.html>
- ¹⁵ Connolly, Amanda. (17 November, 2020). Intimidation of Canadians by China, other countries 'will not be tolerated': Champagne. Retrieved 20 November, 2020, from <https://globalnews.ca/news/7467281/canada-huawei-decision-erin-otoole/>

Page 4 of 4

This document is the property of the Royal Canadian Mounted Police (RCMP), Federal Policing National Security. It is loaned specifically to your department/agency in confidence and for internal use only, and it is not to be reclassified, copied, reproduced, used or further disseminated, in whole or in part, without the consent of the originator. It is not to be used in affidavits, court proceedings, subpoenas or any other legal or judicial purpose without the consent of the originator. The handling and storing of this document must comply with handling and storage guidelines established by the Government of Canada for classified information. If your department/agency cannot apply these guidelines, please read and destroy this document. This caveat is an integral part of this document and must accompany any extracted information. For any enquiries concerning the information or the caveat, please contact the Director, Federal Policing National Security, RCMP.