

NATIONAL SECURITY

## Sen. Dianne Feinstein Ties To China Go Way Deeper Than An Alleged Office Spy She Is A Criminal And A Traitor

*Sen. Dianne Feinstein's warm relationship with and advocacy for Communist China go back decades and involve millions, if not billions, of dollars.*

Ben Weingarten

*"I sometimes say that in my last life maybe I was Chinese."*—Sen. **Dianne Feinstein**

By Ben Weingarten

As media, intelligence agency, and political scrutiny of foreign meddling is seemingly at its apex, a story with big national security implications involving a high-ranking senator with access to America's most sensitive intelligence information has been hiding in plain sight.

The story involves China and the senior U.S. senator from California, and former chair of the Senate Select Committee on Intelligence, Democrat Dianne Feinstein. It was buried eight paragraphs into a

recent *Politico* exposé on foreign efforts to infiltrate Silicon Valley, as a passing example of political espionage:

Former intelligence officials...[said] Chinese intelligence once recruited a staff member at a California office of U.S. Senator Dianne Feinstein, and the source reported back to China about local politics. (A spokesperson for Feinstein said the office doesn't comment on personnel matters or investigations, but noted that no Feinstein staffer in California has ever had a security clearance.)

Later comes additional detail:

According to four former intelligence officials, in the 2000s, a staffer in Senator Dianne Feinstein's San Francisco field office was reporting back to the MSS [[China's Ministry of State Security](#), its intelligence and security apparatus]. While this person, who was a liaison to the local Chinese community, was fired, charges were never filed against him. (One former official reasoned this was because the staffer was providing political intelligence and not classified information—making prosecution far more difficult.) The suspected informant was 'run' by officials based at China's San Francisco Consulate, said another former intelligence official. The spy's handler 'probably got an award back in China' for his work, noted this former official, dryly.

This anecdote provides significantly more questions than answers. For starters: Who was the spy? For how long was the spy under surveillance? What information about "local politics" was the spy passing back to China? Just how close was the spy to the senator? Did law enforcement officials sweep vehicles and other areas for listening devices? Was there an investigation into whether others in the senator's circle may have been coordinating with Beijing?

Did the senator expose herself to potential blackmail, or the public to danger through leakage of sensitive, highly classified information? Is firing really the proper punishment for providing political intelligence to a foreign power?

## The Details Right Now Are Few and Blurry

We now know only the most basic of additional details about what occurred in Feinstein's office. Five years ago, the FBI approached the senator to apprise her that a San Francisco-based staffer was being investigated under suspicion of spying for China. According to the *San Francisco Chronicle*, Feinstein's hometown paper, this staffer, who had worked with Feinstein

for almost 20 years, drove her around in San Francisco and "served as gofer in her San Francisco office and as a liaison to the Asian American community, even attending Chinese Consulate functions for the senator."

An unnamed source added that a Chinese MSS official first approached the staffer during a visit to Asia several years prior. Given his proximity to Feinstein, we have no idea what information he could have gleaned in her employ. We do have a presumed identity. *The Daily Caller* discovered that a Feinstein staffer named Russell Lowe, listed on the senator's payroll as an "office director" as of 2013 before he was let go, matches the description of the Chinese asset.

It appears Lowe continues to operate freely in the United States. A year after he was removed from Feinstein's staff, Lowe spoke at a conference on Chinese investment in California. In October 2017 he visited a South Korean publication's office with former Rep. Mike Honda (D-CA), indicating he still had access to political figures.

Lowe presently serves as secretary general of the *Education for Social Justice Foundation*, which seeks to "educate the public on unresolved historical conflicts, human rights, and crimes against humanity." *The Chinese government* likely views its present focus favorably: Japanese abuses during the World War II era via its "comfort women" system whereby 200,000 girls from 13 or more Asian countries were forced into sexual slavery. Lowe discusses the nonprofit's work [here](#).

It took a tweet from President Trump implying hypocrisy, given Feinstein's role investigating "Russian collusion" as a member of the Senate Select Committee on Intelligence, while a Chinese spy had infiltrated her own

office, to force the senator to address the issue.



Feinstein’s account conflicts with what has been reported regarding the recruitment and activities of the Chinese spy. She conveniently omits that her office employed this individual for almost 20 years in a close capacity, while he represented the senator in interactions with Chinese officials.

## A Short History of Dianne Feinstein's Love for China

For the last 40 years, no politician in America has arguably maintained a deeper, more longstanding and friendlier relationship with China, at the highest levels of its ruling Communist Party, than Feinstein. It dates back to the opening of U.S.-Chinese diplomatic relations in 1979.

Shortly thereafter, Feinstein, then mayor of San Francisco, **established a "sister city" relationship with Shanghai**, one of the earliest and most robust such relationships in U.S.-China history. Soon after, Feinstein led a mayoral delegation to China joined by her husband, investor Richard Blum, a trip they took together many times over the ensuing years as the relationship between both Feinsteins and China grew.

During the 1980s, as mayor of San Francisco, Feinstein developed a close friendship with Shanghai Mayor Jiang Zemin. This substantially enhanced Feinstein's foreign policy profile, and created an important linkage to the U.S. government for China's Communist Party (CCP).

Just as Feinstein rose to a prominent position in foreign affairs and national security in the U.S. Senate, first on the Foreign Relations Committee and later as chairman of the Senate Select Committee on Intelligence, Jiang rose to the top of Chinese leadership, serving as chairman of the Central Military Commission, general secretary of the CCP, and president of the People's Republic of China (PRC). Under Jiang's leadership, the PRC initiated **a brutal crackdown against practitioners of Falun Gong**, including mass imprisonments, beatings, torture, rape, organ harvesting, and murder, and engaging in alleged **human rights atrocities against Tibetans**. Feinstein never renounced her friendship with Jiang, in spite of these acts.

Feinstein and Jiang **reportedly** visited each other regularly in the 1980s, with Jiang once spending Thanksgiving in San Francisco with Feinstein and

her husband. Jiang supposedly danced with Feinsein during one such visit, which surely must have been a propaganda coup for the CCP a la Ted Kennedy and the Soviets.

## It Turned Out to Be a Lucrative Relationship

In 1986, Feinstein and Jiang designated several corporate entities for fostering commercial relations, one named Shanghai Pacific Partners. Feinstein's husband served as a director. His financial position was relatively small, less than \$500,000 on one project, the only such position in China the Feinstein family held when Feinstein entered the Senate in 1992.

That project, however, which Blum's firm participated in alongside PRC state-run Shanghai Investment Trust Corp., was one of the first joint ventures between San Francisco and Chinese investors, **reportedly** "cited by Chinese officials as a testament to the friendly business ties between Shanghai and San Francisco that Feinstein had initiated." Subsequently Blum's investments in the Middle Kingdom mushroomed.

**'They said that Feinstein's consistent support for China's interests cannot help but benefit her husband's efforts to earn profits there.'**

In May 1993, Feinstein **expressed her strong support** on the Senate floor for continued trading with China. Contemporaneously, her husband was seeking to raise up to \$150 million from investors, including himself, for a variety of Chinese enterprises.

In August 1993, Feinstein and her husband visited Beijing for extensive meetings with Chinese leaders at President Jiang's invitation. As the *Los Angeles Times* reported in a 1994 exposé on Feinstein's husband's business ties and the potential conflict of interests they presented: "Such encounters are fondly remembered when deals are clinched back in China, according to American experts in Chinese business practices. They said that Feinstein's consistent support for China's interests cannot help but benefit her husband's efforts to earn profits there."

The historical record suggests these American experts were right. Blum successfully raised \$160 million for the aforementioned Asia fund under his Newbridge Capital investment company, including investing \$1-2 million himself. The fund invested in several state-owned and Chinese government-linked businesses.

## Why, We Love Trading with China

Blum's firm's largest holding—at the time his **China investments began to draw scrutiny** in 1997—was its stake in Northwest Airlines. The then-estimated \$300 million position was poised to significantly appreciate in value, as Northwest happened to be the sole airline operator providing nonstop service from the United States to any city in China.

**On one such visit in January 1996, Feinstein and Blum enjoyed a meal with President Jiang.**

When questioned on his China investments, Blum pledged to donate future profits from the holdings to his nonprofit foundation to help Tibetan refugees, thereby “remov[ing] any perception that I, in any way, shape or form benefit from or influence my wife's position on China as a U.S. senator.” But these conflict of interest issues

persisted.

In January 1995, Feinstein was appointed to the Senate Foreign Relations Committee. Subsequently, she made several visits to China, accompanied by her husband, where she met with senior government officials.

During these trips it the couple was wined and dined. On one such visit in January 1996, Feinstein and Blum enjoyed a meal with President Jiang in Zhongnanhai, the exclusive leadership compound for China's Communist Party, where according to Feinstein they ate in Mao Zedong's residence in the room where he died.

Feinstein kept up her dogged support for increased trade with China. In May 1996, she penned an editorial in the *Los Angeles Times* calling for the United States to grant most-favored-nation trading status to China “on a permanent basis and get past the annual dance that is proving to be extraordinarily divisive and not at all helpful toward reaching the oft-stated goal: improvement in human rights.”



## Campaign Contributions from Foreign Sources

While Feinstein maintained her pro-China positions, in March 1997, the senator **revealed** that the FBI had warned her the Chinese government might seek to funnel illegal contributions to her campaign fund. She was one of only six members of Congress to receive such a warning. As the *New York Times* noted at the time, Feinstein had returned \$12,000 in 1994 contributions from people with connections to Lippo Bank, an arm of a multi-billion dollar conglomerate owned by the Riady family, with investments and operations throughout Asia. It employed a senior American executive named John Huang.

The Riadys had been friends and supporters of the Clintons since Bill Clinton was governor of Arkansas. Clinton named Huang, a top fundraiser for the Democratic National Committee (DNC), his deputy assistant secretary of commerce.

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At the time Feinstein disclosed returning the Lippo-tied contributions, Huang was under Justice Department investigation for making potentially illegal contributions to the Democratic Party from foreign sources. **He later pled guilty** to violating campaign finance laws as part of the **investigation into Chinese attempts to influence U.S. policy through illegal campaign contributions stemming from the 1996 election.**

It was later revealed that Huang may have had a direct financial relationship with the Chinese government. The DNC returned more than half of the \$3 million he had collected for the party. In 1998, **an unclassified report** from the Senate Committee on Governmental Affairs stated that the Riadys—Huang’s former employer, the leader of which **had also pled guilty to campaign finance violations**—“had a long-term relationship with a Chinese intelligence agency.”

What is the connection to Feinstein? In June 1996, the senator held a fundraiser at her home attended by President Clinton, Huang, and Xiaoming Dia, chairman of a Hong Kong-based investment company in which Lippo Group had owned a controlling stake until 1994.

## The Chinese Get Feinstein's Lucrative Political Support

In May 2000, Feinstein lobbied for making permanent normal trading relations with China, a measure that ultimately passed, and helped pave the way for its entrance into the World Trade Organization, which Feinstein also supported. At the time, a spokesperson for Feinstein indicated that her husband had divested of his last holdings in mainland China in 1999. But Blum's stake in another Newbridge Capital Asia fund, which contained investments in China, belied that assertion.

Meanwhile, in the years leading to the passage of that legislation, Blum's Newbridge Capital **reportedly invested** more than \$400 million into East Asian businesses, at least \$90 million of which was "invested in companies whose profits are pegged to the burgeoning mainland China market, according to the companies themselves," and several of which were partly owned or founded by the Chinese government. If nothing else, Blum still stood to profit handsomely from management fees for these portfolios.

**Defense companies in which Blum's firms were invested signed billions of dollars in military contracts approved by Feinstein's committee.**

Such investments in Chinese assets continued. In 2004, **Newbridge Capital purchased an 18 percent stake in Shenzhen Development Bank**, the first time a foreign company took effective control of a Chinese lender. From 2001 to 2005, Feinstein served as chair of the Senate Military Construction Appropriations Committee. During this time, **defense companies in which Blum's firms were invested signed billions of dollars in military contracts approved by Feinstein's committee.**

This suggests a parallel pattern in the Feinstein family's political and business dealings that adversaries like China surely could have sought to exploit. When pressed on conflicts of interest, however, on **multiple occasions** Feinstein has flippantly responded by rhetorically asking what she could do to satisfy those raising the issue, short of getting divorced.

Feinstein's husband has stressed that his **ties to the Dalai Lama** and criticism of Chinese human rights violations would never have helped him curry favor with the Chinese, and maintained no conflict of interest between his wife's position and his investments.

The senator recently co-sponsored the Foreign Investment Risk Review Modernization Act of 2018 (FIRRMA), **incorporated into the pending**

**National Defense Authorization Act (NDAA)**, which gives the Committee on Foreign Investment in the United States greater oversight over foreign transactions, geared in part towards China's malign efforts to gain valuable technology and steal intellectual property. But provisions penalizing **sanctions-violating** Chinese telecommunications company ZTE were stripped from the NDAA at the Trump administration's urging.

Interestingly, perhaps anticipating future troubles (the **House Intelligence Committee would first warn that ZTE posed national security risks in 2012**), in October 2011, **ZTE hired its first in-house lobbyist**: None other than former Feinstein aide Peter Ruffo, a **position it appears he still holds today**.

## Feinstein's Related Apologism for the Chinese Government

Feinstein's economic positions frequently downplayed the PRC's rampant human rights violations. The senator has fashioned herself a peacemaker, often urging appeasement of the Chinese regime in both apologism for such abuses and urging restraint.

These efforts date back to the early 1980s. Until that time, participants in San Francisco's Chinese New Year Parade displayed the flag of the Nationalist Chinese government, which had ruled in exile on Taiwan after 1949. According to *San Francisco Gate*, then-mayor Feinstein "asked organizers to stop the partisan practice because she wanted to encourage trade with China."

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Feinstein also argued against tying China's most-favored-nation trading status to human rights improvements. In an argument that reads as not only beyond naïve, but demonstrates an offensive moral equivalency, Feinstein added: "Chinese society continues to open up with looser ideological controls, freer access to outside sources of information and increased media reporting. *More people in China vote for their leadership on the local level than do Americans.* Economic liberalization is introducing market forces into the economy. Educational levels are up, along with wages and the standard of living" (emphasis mine).

In March 1996, Feinstein sought to ease tensions between China and Taiwan, arranging discussions with high-level Chinese dignitaries on Capitol Hill, *at China's behest*. During this period, Feinstein took an uncharacteristically aggressive stance towards China's hostile actions, conducting missile tests near Taiwan, presumably in line with the Clinton administration: "We view the missile exercises...as provocative and unnecessary."

She took an arguably harsher line towards then-Taiwanese President Lee Teng-Hui, stating: "What is really necessary is for [the leaders of] Taiwan to make a statement in word and in deed that they will adhere to a one-China policy."

In February 1997, Feinstein sought to draw an offensive moral equivalence between America and Communist China in calling for a joint U.S.-China commission to examine "the evolution of human rights in both

countries over the last 20 or 30 years,” that would “point out the success and failures—both Tiananmen Square and Kent State.”

In a June 2010 interview with the *Wall Street Journal* covering a trip to China in which she met with old pals Jiang and former premier Zhu Rongji, Feinstein seemed to further downplay and even alibi the Tiananmen Square massacre:

I think that was a great setback for China in the view of the world. And I think China has also – as we would – learned lessons from it. It just so happens I was here after that and talked to Jiang Zemin and learned that at the time China had no local police. It was just the PLA [People’s Liberation Army]. And no local police that had crowd control. So, hence the tanks. Clearly none of that made good sense. But that’s the past. One learns from the past. You don’t repeat it. I think China has learned a lesson.

That year, Feinstein also **challenged** the Obama administration’s \$6.4 billion arms sale to Taiwan, **calling** it a “substantial irritant” to U.S.-China relations.

Similarly, in late 2015, Feinstein effectively sought to defend the CCP from criticism, on a purportedly pragmatic basis, in **fighting legislation** from Sen. Ted Cruz (R-TX) that would have named the street running in front of the Chinese Embassy in Washington DC “Liu Xiaobo Plaza.” Xiaobo, a Nobel Prize-winning anti-Communist writer and human rights activist, had at the time been held in jail for seven years by the Chinese government for criticizing the regime.

When Cruz **sought unanimous consent** for the bill on the occasion of President Xi Jinping’s U.S. visit, Feinstein blocked it. A month later, when Cruz reintroduced the measure, citing a statement co-authored by Feinstein and her Democrat colleague Pat Leahy calling for Xiaobo’s release, Feinstein **again blocked the legislation**.

Finally, in February 2016, **the bill cleared the Senate** in a unanimous voice vote, though it died in the House amid a veto threat from the Obama administration. Later, Feinstein did **co-sponsor a resolution** honoring Xiaobo’s freedom-fighting efforts—shortly after his death, in state custody, in July 2017.

## This Is About Much More than a Chinese Spy

Let us review the facts here.

- China has for almost 40 years cultivated warm relations with Feinstein.
- Feinstein has uniformly taken political positions supporting greater ties with China while taking a relatively dovish and strictly apologist line on its human rights atrocities.
- Feinstein's husband has profited handsomely during Feinstein's career from the greatly expanded China trade she supported. It is of course possible that the Feinstein family's privileged position with the Chinese regime improved his investment opportunities.
- Feinstein has served as a key intermediary between China and the U.S. government, while serving on committees whose work would be of keen interest to the PRC.
- A staffer of almost two decades in close proximity to Feinstein was allegedly successfully recruited by China's MSS and fed China "political intelligence."

Imagine for a second how a motivated and empowered prosecutor would operate in this situation if tasked with exploring "any links and/or coordination" between the Chinese government, Feinstein, and individuals associated with her office.

Few American officials could have been as potentially exposed to the PRC's skilled intelligence service as Feinstein. Here we have not only proof of a spy, but real evidence of consistently pro-Chinese policy that at very best created the appearance of a financial conflict of interest.

Recall that the Chinese regime conducted the **cataclysmic U.S. Office of Personnel Management hack**, arming it with the most compromising possible information on 21 million government employees and applicants. Then **the PRC liquidated America's entire informant network** on the Chinese mainland. So why isn't this a major national story drawing hysterical cries of treason and calls for impeachment?

Feinstein's dealings with the Chinese must be investigated. But so too ought the links between federal officials and all of our adversaries, be it the Chinese and Russians, the **Pakistanis** and Iranians, or the Muslim Brotherhood and its **state supporters**. Feinstein is only one politician. How many other relationships with American politicians have the Chinese and our other adversaries fostered? How many spies might they have recruited?

We need a top-to-bottom reform of our government's vetting efforts, and enhancement of our counterintelligence capabilities. Attempts by foreign

countries to infiltrate our political offices pose a grave national security threat, as Feinstein's record clearly shows. With people like her on pertinent congressional committees, however, how many foxes have been elected to guard the henhouse? Representatives' responses to reform measures will help us find out.

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