

**Congress of the United States**  
Washington, DC 20515

March 30, 2022

The Honorable Matthew G. Olsen  
Assistant Attorney General  
National Security Division  
U.S. Department of Justice  
950 Pennsylvania Avenue, N.W.  
Washington, DC 20530

Dear Assistant Attorney General Olsen:

We write to request information about the decision to end the Department of Justice’s (DOJ) China Initiative, a program it launched under the Trump Administration that sought to protect the United States from national security threats posed by the People’s Republic of China (PRC). The decision raises questions about the Biden Administration’s commitment to confronting Chinese economic espionage and intellectual property theft, which you have acknowledged to be “evolving” and “significant.”<sup>1</sup> Although you have promised that the Department “will be relentless in defending our country from China,”<sup>2</sup> the decision to end the China Initiative shows the Biden Administration’s eagerness to sacrifice national security to appease political activists and the Chinese Communist Party (CCP).

In November 2018, the Department under the Trump Administration launched the China Initiative to address some of the most critical threats to U.S. national security posed by the CCP.<sup>3</sup> The China Initiative has strengthened U.S. efforts to aggressively investigate and prosecute cases of CCP economic espionage and theft of U.S. trade secrets.<sup>4</sup> Approximately 80 percent of all

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<sup>1</sup> Press Release, U.S. Dep’t of Justice, Assistant Attorney General Matthew Olsen Delivers Remarks on Countering Nation-State Threats, Address at George Mason University (Feb. 23, 2022) <https://www.justice.gov/opa/speech/assistant-attorney-general-matthew-olsen-delivers-remarks-countering-nation-state-threats>.

<sup>2</sup> *Id.*

<sup>3</sup> *Information About the Department of Justice’s China Initiative and a Compilation of China-Related Prosecutions Since 2018*, U.S. Dep’t of Justice, <https://www.justice.gov/nsd/information-about-department-justice-s-china-initiative-and-Compilation-china-related> (last updated Nov. 19, 2021).

<sup>4</sup> *Id.* The DOJ has won convictions and brought indictments in notable recent examples of CCP economic espionage. Hao Zhang, a PRC citizen who stole trade secrets from two U.S. companies for the CCP, was convicted of economic espionage, theft of trade secrets, and conspiracy to commit both offenses. Zhang was sentenced to 18 months in prison and ordered to pay nearly half a million dollars in restitution. In another case, Yi-Chi Shih and his co-conspirator, Kiet Ahn Mai, conspired to illegally access protected trade secrets and other information from a restricted computer system of a U.S. technology company using fraudulent identities. These individuals caused export-controlled semiconductor chips with military applications to be shipped to a PRC company despite export licensing requirements imposed on that company for “illicit procurement of commodities and items for unauthorized military end use in China.” Mai pled guilty, and Shih was convicted on 18 counts in 2019, for their roles in this conspiracy to steal U.S. IP and circumvent U.S. export controls on sensitive technology with national security implications.

federal economic espionage prosecutions have alleged conduct that would benefit the CCP, and about 60 percent of all U.S. trade secret theft cases have had a nexus to China.<sup>5</sup> The Director of the National Security Agency under President Barack Obama, Keith Alexander, has called the Chinese state theft of U.S. intellectual property the “greatest transfer of wealth in history,” likely costing the U.S. up to \$400 billion annually.<sup>6</sup>

In addition to economic espionage and trade secret theft, the China Initiative also led to criminal charges and convictions of individuals for grant fraud, visa fraud, and lying to federal prosecutors. In one high-profile case, the Department indicted Dr. Charles Lieber, the chair of Harvard’s Department of Chemistry and Chemical Biology, for making false statements to federal authorities about his participation in a Chinese government program intended to obtain expertise, knowledge, and intellectual property from abroad.<sup>7</sup> The indictment alleged that Dr. Lieber concealed from both Harvard and the National Institute of Health his position as a scientist at a Chinese university, and that the Chinese government was paying him through the Wuhan University of Technology (WUT).<sup>8</sup> Under the terms of Lieber’s three-year contract, WUT paid him a monthly salary of up to \$50,000, living expenses of up to \$150,000, and awarded him over \$1.5 million to establish a research lab at WUT.<sup>9</sup> On December 21, 2021, Dr. Lieber was convicted of lying to federal authorities about his affiliation with the Chinese program and the WUT, in addition to tax offenses.<sup>10</sup>

In July 2021, the Department moved to dismiss charges against six suspected Chinese researchers who allegedly lied about and concealed their affiliations with the CCP and the Chinese military.<sup>11</sup> One of these researchers lied about holding a rank in the People’s Liberation Army and acknowledged to U.S. officials that he “had been instructed by his supervisor, the director of his military university lab in the PRC, to observe the layout of the UCSF [University

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<sup>5</sup> Press Release, U.S. Dep’t of Justice, Attorney General William Barr, Remarks on China Policy, Address at Gerald R. Ford Presidential Museum (July 16, 2020), <https://www.justice.gov/opa/speech/attorney-general-william-p-barr-delivers-remarks-china-policy-gerald-r-ford-presidential>.

<sup>6</sup> Megan Henney, *Chinese Theft of US Intellectual Property ‘Greatest Transfer of Wealth’ in History*, FOX BUSINESS (Jul. 18, 2018), <https://www.foxbusiness.com/politics/chinese-theft-of-us-intellectual-property-greatest-transfer-of-wealth-in-history>.

<sup>7</sup> Press Release, U.S. Dep’t of Justice, *Harvard University Professor and Two Chinese Nationals Charged in Three Separate China Related Cases*, (Jan. 28, 2020), <https://www.justice.gov/opa/pr/harvard-university-professor-and-two-chinese-nationals-charged-three-separate-china-related>.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*

<sup>10</sup> Press Release, U.S. Dep’t of Justice, *Harvard University Professor Convicted of Making False Statements and Tax Offenses*, (Dec. 21, 2021) <https://www.justice.gov/usao-ma/pr/harvard-university-professor-convicted-making-false-statements-and-tax-offenses>.

<sup>11</sup> George P. Varghese, Benjamin Conery, Hyun-Soo Lim, Christina Luo, *DOJ’s “China Initiative” Falters*, WILMERHALE (Aug. 5, 2021), <https://www.wilmerhale.com/en/insights/client-alerts/20210805-doj-china-initiative-falters>.

of California San Francisco] lab and bring back information on how to replicate it in China.”<sup>12</sup> The Department justified dismissing these Chinese espionage cases, claiming that it was “in the interest of justice”;<sup>13</sup> however, the Department has stonewalled repeated requests by the House Judiciary Committee for more information about the bases for these dismissals.

Especially at a time when President Biden’s foreign policy has resulted in many national security missteps—in Asia and in Europe—the Department must prioritize and actively combat the PRC’s malign activities to protect U.S. domestic national security. The decision to scuttle the China Initiative also comes at a time when the Federal Bureau of Investigation has over 2,000 open investigations into Chinese efforts to steal U.S. information and technology, opening a new counterintelligence case against China approximately every 12 hours.<sup>14</sup>

The Biden Administration’s decision to end the China Initiative appears to be motivated by nothing more than identity politics. You, however, have described accusations of racial profiling by the Department’s China Initiative as “perception,” elaborating that you have “not seen any indication of bias or prejudice in decision-making by the Department of Justice in these cases” and that Department’s actions have been “driven by genuine national security concerns.”<sup>15</sup> In light of the decision to cancel the Department’s China Initiative and to better understand the potential consequences of this action, we request the following information:

1. All documents and communications referring or relating to the decision to end the Department’s China Initiative, to include an unredacted copy of the Department’s three-month internal review initiated by you in November 2021;
2. An explanation as to whether you or your staff consulted with the Department’s career lawyers or other personnel in the Department prior to the decision to end the Department’s China Initiative. If so, provide all recommendations and advice, both formal and informal, that was provided to you or your staff; and
3. An accounting of the Department’s resources dedicated to combating national security threats posed by the People’s Republic of China.

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<sup>12</sup> Press Release, U.S. Dep’t of Justice, Researchers Charged with Visa Fraud After Lying About Their Work for China’s People’s Liberation Army (July 23, 2020), <https://www.justice.gov/opa/pr/researchers-charged-visa-fraud-after-lying-about-their-work-china-s-people-s-liberation-army>.

<sup>13</sup> *Id.*; Aruna Viswanatha, *U.S. Drops Visa Fraud Cases Against Five Chinese Researchers*, WALL STREET JOURNAL (July 23, 2021), <https://www.wsj.com/articles/u-s-drops-visa-fraud-cases-against-5-chinese-researchers-11627074870>.

<sup>14</sup> Press Release, Fed. Bureau of Investigation, *China’s Quest for Economic, Political Domination Threatens America’s Security* (Feb. 1, 2022), <https://www.fbi.gov/news/stories/director-wray-addresses-threats-posed-to-the-us-by-china-020122>.

<sup>15</sup> *Id.*; Josh Gerstein, *DOJ shuts down China-focused anti-espionage program*, POLITICO (Feb. 23, 2022) <https://www.politico.com/news/2022/02/23/doj-shuts-down-china-focused-anti-espionage-program-00011065>.

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Please provide this information as soon as possible, but no later than 5:00 p.m. on April 15, 2022. After you have provided this information in writing, we ask that you arrange for the Department to provide a staff-level briefing. Thank you for your prompt attention to this matter.

Sincerely,



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Michael Waltz  
Member of Congress



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Andy Biggs  
Member of Congress



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Scott Fitzgerald  
Member of Congress