

JUSTICE NEWS

Attorney General Jeff Sessions Announces New Initiative to Combat Chinese Economic Espionage

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Remarks as prepared for delivery

Thank you all for being here.

For decades, the United States has led the world in science, technology, research, and development. Without a doubt, we are the world's top innovator. Billions have been invested to achieve that status.

This has given this country advantages both economically and militarily that have directly benefitted the daily lives of the American people.

It is no surprise that geopolitical rival states around the world have taken notice.

That is why they often try to steal our inventions and defraud us of their proceeds. Too often, they are successful.

Discoveries that took years of work and millions of dollars in investment here in the United States can be stolen by computer hackers or carried out the door by an employee in a matter of minutes.

This theft is not just wrong; it poses a grave threat to our national security. And it is unlawful.

But under President Donald Trump, the United States is standing up to the deliberate, systematic, and calculated threats posed, in particular, by the communist regime in China, which is notorious around the world for intellectual property theft.

Earlier this year, a report from U.S. Trade Representative Robert Lighthizer found that Chinese sponsorship of hacking into American businesses and commercial networks has been taking place for more than a decade and is a serious problem that burdens American commerce.

The problem has been growing rapidly, and along with China's other unfair trade practices, it poses a real and illegal threat to our nation's economic prosperity and competitiveness.

Perhaps this threat has been overshadowed in the press by threats from Russia or radical Islamic terrorism. But while it has been in the shadows, the threat has only grown more dangerous.

From 2013 to 2016, the Department of Justice did not charge anyone with spying for China.

But since the beginning of 2017, we have charged three people with spying for China or attempting or conspiring to do so. And when it comes to trade secret theft, we are currently prosecuting five other cases where the theft or attempted theft was for the benefit of the Chinese government.

In 2015, China committed publicly that it would not target American companies for economic gain.

Obviously, that commitment has not been kept.

Just ask GE Aviation, or Trimble, of Sunnyvale, California.

Today I am announcing another economic espionage case against Chinese interests.

And before I do that I want to remind everyone that the defendants in this case—as in every case—are innocent until proven guilty.

I am announcing that a grand jury in San Francisco has returned an indictment alleging economic espionage on the part of a Chinese state-owned, government owned, company, a Taiwan company, and three Taiwan individuals for an alleged scheme to steal trade secrets from Micron, an Idaho-based semiconductor company.

Micron is worth an estimated \$100 billion and controls about 20 to 25 percent of the dynamic random access memory industry—a technology not possessed by the Chinese until very recently.

One of the defendants served as president of a company acquired by Micron in 2013. He left the company in 2015 and went to work for the Taiwan defendant company—from where he is alleged to have orchestrated the theft of trade secrets from Micron worth up to \$8.75 billion.

The Taiwan defendant company then partnered with a Chinese state-owned company—so that ultimately China could steal this technology from the United States and then use it to compete against us in the market. This is a brazen scheme.

If convicted, the defendants face up to 15 years in prison and \$5 million in fines. The companies could face forfeiture and fines worth more than \$20 billion.

This week the Commerce Department added the Chinese company to the Entity List to prevent it from buying goods and services in the United States, to keep it from profiting from the technology it stole.

And today the Department of Justice is filing a civil action to seek an injunction that would prevent the Chinese and Taiwan companies from transferring the stolen technology, or exporting products based on it to the United States.

We are not just reacting to crimes—we are acting to block the defendants from doing any more harm to our U.S. based company, Micron.

United States Attorney Alex Tse of the Northern District of California will provide more information on this case in a moment.

And once again I want to remind everyone that the defendants in this case—as in every case—are innocent until proven guilty.

As the cases I've discussed have shown, Chinese economic espionage against the United States has been increasing—and it has been increasing rapidly.

We are here today to say: enough is enough. We're not going to take it anymore.

It is unacceptable. It is time for China to join the community of lawful nations. International trade has been good for China, but the cheating must stop. And we must have more law enforcement cooperation; China cannot be a safe haven for criminals who run to China when they are in trouble, never to be extradited. China must accept the repatriation of Chinese citizens who break U.S. immigration law and are awaiting return.

We will continue to charge wrongdoers based on carefully conducted investigations done with integrity and professionalism, not politics, and we will seek extradition of criminals.

To be prosperous trading partners, integrity and cooperation are essential.

And today I am focusing more Department of Justice resources to counter these threats.

I am announcing that I have ordered the creation of a China Initiative led by Assistant Attorney General John Demers, who heads our National Security Division, and composed of a senior FBI Executive, five United States Attorneys including Alex, and several other Department of Justice leaders and officials, including Assistant Attorney General for our Criminal Division, Brian Benczkowski.

This Initiative will identify priority Chinese trade theft cases, ensure that we have enough resources dedicated to them, and make sure that we bring them to an appropriate conclusion quickly and effectively.

This administration's new initiative will also address two major responsibilities of our National Security Division: the Foreign Investment Review Staff's review of investments and licenses in U.S. infrastructure and telecommunications, and the Foreign Agent Registration Act Unit's work to counter covert efforts to influence our leaders and the general public.

This will help us meet the new and evolving threats to our economy. Today, we see Chinese espionage not just taking place against traditional targets like our defense and intelligence agencies, but against targets like research labs and universities, and we see Chinese propaganda disseminated on our campuses.

And so I have directed this initiative to focus on these problems as well and to recommend legislation to Congress if necessary.

China—like any advanced nation—must decide whether it wants to be a trusted partner on the world stage—or whether it wants to be known around the world as a dishonest regime running a corrupt economy founded on fraud, theft, and strong-arm tactics. Our wish is to have a trusted partner.

The President has made clear that this country remains open to friendship and productive relationships with China. Nothing is more important for the world. We want our relationships to improve, not get worse.

But these problems must be solved. These threats must be ended.

This Department of Justice—and the Trump administration—have already made our decision: we will not allow our sovereignty to be disrespected, our intellectual property to be stolen, or our people to be robbed of their hard-earned prosperity. We want fair trade and good relationships based on honest dealing. We will enforce our laws—and we will protect America's national interests.

Speaker:

[Attorney General Jeff Sessions](#)

Attachment(s):

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Topic(s):

Cyber Crime
Intellectual Property
National Security

Component(s):

