

The Counter-Lobby Confidential

How Beltway Insiders Do the Hong Kong Government's Bidding

A Report by
Hong Kong Democracy Council



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Executive Summary



This report seeks to document the extent of the Hong Kong Special Administrative Region (SAR) government's political activities in the United States. As attention to foreign influence in the U.S. generally and China-related foreign influence operations specifically become an increasing focus of American policymaking, HKDC intends to draw attention to the Hong Kong aspect of this issue, collecting data on the extent of SAR government-led efforts to influence American legislation and highlighting collaborations between SAR government actors and American social as well as cultural institutions. It finds that heavyweights and the well-connected in Washington, including two former committee chairs in the House of Representatives, play an active role in advancing Beijing's interests on American soil.

This report is written concurrently with the reintroduction in the 118th Congress of the bipartisan Hong Kong Economic and Trade Office (HKETO) Certification Act, which calls on President Joe Biden to re-evaluate and potentially revoke the diplomatic privileges granted to the SAR government's representative offices in the United States. HKDC supports the bill's passage and provides important details on the shape and form of HKETO-led efforts to influence American lawmakers on key foreign-policy issues, including, but not limited to, trade, human rights, and U.S.-China strategic competition. In particular, this report marks the launch of the SAR Government Lobbying Influence Database, which, at the time of this report's publication, lists over 1,000 interactions between U.S. government officials and SAR government-funded lobbyists.

The Hong Kong Democracy Council calls on:

- Congress to pass the HKETO Certification Act;
- President Biden to sign the bill into law and, using its authority, revoke HKETO's quasi-diplomatic privileges in the United States;
- The Biden administration to more strictly enforce the Foreign Agents Registration Act and issue new guidelines on SAR government-related interactions with executive-branch officials;
- U.S. cultural and business institutions to carefully scrutinize interactions with SAR government-related entities out of human-rights concerns.

For more information about HKDC's work on this issue, please visit the SAR Government Lobbying Influence Database on HKDC's website, which contains a regularly-updated list of interactions between Hong Kong lobbyists and U.S. lawmakers.



Visit Our Database

The Counter-Lobby Confidential

How Beltway Insiders Do the Hong Kong Government's Bidding

*Hong Kong Democracy Council
July 2023*

Introduction

"[In the last six years] China spent more than \$292 million to influence U.S. policy and opinion . . ."

In the wake of Russian interference in the 2016 presidential election, there was heightened concern about the influence of foreign agents in U.S. politics. China, which has a well-documented history of orchestrating foreign-influence campaigns, has been ramping up efforts to sway U.S. politics, media, and society.¹ Between 2016 and 2022, according to data filed under the Foreign Agents Registration Act (FARA) of 1938, China spent more than \$292 million to influence U.S. policy and opinion, more than any other country.²

Chinese actors are likewise exerting control over major Chinese-language media in the U.S., allowing them to advance their narrative among the American public.³

While Beijing's influence operations in the U.S. have attracted heightened scrutiny, the activities of the SAR government, which is now fully subservient to the Chinese Communist Party, largely fly under the radar. The SAR government has a long history of spending heavily and working aggressively to influence U.S. lawmakers. Investigative reporting by the Hong Kong Free Press in 2021 tracked SAR government-directed lobbying efforts since the Umbrella Movement of 2014.⁴ And as far back as 2005, a report from the Center for Public Integrity, a Washington-based nonprofit,

1 Council on Foreign Relations. "China's Growing Attempts to Influence U.S. Politics." Accessed June 6, 2023. <https://www.cfr.org/article/chinas-growing-attempts-influence-us-politics>.

2 A 501 tax-exempt, charitable organization 1100 13th Street, NW, Suite 800 Washington, and Dc 20005857-0044. "Foreign Lobby Watch." OpenSecrets. Accessed June 6, 2023. <https://www.opensecrets.org/fara>

3 Hoover Institution. "China's Influence & American Interests: Promoting Constructive Vigilance." Accessed June 6, 2023. <https://www.hoover.org/research/chinas-influence-american-interests-promoting-constructive-vigilance>.

4 Cheng, Selina. "Exclusive: Inside the Hong Kong Govt's Multi-Million Dollar US Lobbying Operation." Hong Kong Free Press HKFP, April 19, 2021. <https://hongkongfp.com/2021/04/19/inside-hong-kong-govts-multi-million-dollar-lobbying-operation-on-capitol-hill/>

noted that “the government of the Hong Kong Special Administrative Region has been significantly more aggressive than the [Chinese] government in its attempt to influence the U.S. government and seek favor with the American public.”⁵ By 2005, according to the same report, the SAR government and its related entities had become the largest China-related spender on U.S. lobbying. Only in the succeeding decade would the Chinese government spending itself finally surpass that of Hong Kong authorities on American politics. Nevertheless, this issue remains quite important to study and address, in part because the narrowness of its scope may actually contribute to developing a cleaner understanding of Hong Kong’s role in U.S. efforts to combat Chinese influence overseas.

This report maps the network of SAR government-affiliated organizations operating in the U.S. today, beginning with the HKETOs, then moving to other government-affiliated organizations like the Hong Kong Trade Development Council and the U.S. edition of Sing Tao, a major Hong Kong-based newspaper. Furthermore, this report covers the extensive activities of U.S. lobbyists—many of them former Congressional members—who are now key parts of this network. Heavyweights and the well-connected in Washington, including two former committee chairs in the House of Representatives, play an active role in advancing Chinese interests on American soil.

At each juncture, this report proposes potential policy and civil-society responses as well as advises on effective policies and reforms that can help curtail the SAR government’s efforts to influence American politics. Despite the complexity of this network of SAR government-affiliated organizations, the HKETOs remain the centerpiece of the SAR government’s influence operations in the United States. As such, this report offers its support, in the strongest possible terms, for U.S. government action against the HKETOs.

5 Guevara, Marina Walker. “China Steps up Its Lobbying Game.” *Center for Public Integrity*, September 13, 2005. <http://publicintegrity.org/politics/lobby-watch/china-steps-up-its-lobbying-game/>.

SAR Government Entities In The U.S.

Under Hong Kong's constitutional document, the Basic Law, the SAR government is allowed to forge relations with foreign countries in areas including trade, tourism, and culture, but the Chinese government maintains control over the city's defense and diplomacy. As such, the SAR government does not have an embassy or consulates in the U.S.; consular services are provided by the Chinese government. Instead, the SAR government operates in the U.S. through two quasi-government proxies: the aforementioned Hong Kong Economic and Trade Offices (HKETOs) and the Hong Kong Trade Development Council (HKTDC).



Hong Kong Economic and Trade Office, New York
The Government of the Hong Kong Special Administrative Region
of the People's Republic of China

Logo of HKETO, New York



Logo of HKTDC

The Hong Kong Economic and Trade Offices

The SAR government's principal representatives in the U.S. are the HKETOs, a set of trade missions established in the colonial era to promote Hong Kong's commercial interests. Prior to the transfer of Hong Kong's sovereignty from Britain to China on July 1, 1997, the HKETOs existed as a network of Hong Kong outposts dealing that handled international commerce, simply called Hong Kong Government Offices. The post-handover SAR government assumed control over the HKETOs.

There are **three** HKETOs in the United States:

1. The Washington location supervises activities across the entire country.⁶
2. The New York location is responsible for operations in the eastern continental U.S.⁷
3. The San Francisco location covers the western continental U.S. as well as Alaska and Hawaii.⁸

"[The HKETOs enjoy] the same immunity from suit and every form of judicial process as is enjoyed by foreign governments."

Collectively, their status is formalized by Executive Order 13052, which President Bill Clinton issued on June 30, 1997, ahead of the handover to clarify their

6 "About Us - Hong Kong Economic and Trade Office, Washington DC." Accessed June 6, 2023. <https://www.hketowashington.gov.hk/about-us.html#:~:text=The%20HKETO%20Washington%20is%20responsible,affairs%20in%20the%2050%20states>.

7 "DNY's Welcome and Jurisdiction - Hong Kong Economic and Trade Office, New York." Accessed June 6, 2023. <https://www.hketony.gov.hk/welcome-jurisdiction.html>.

8 "Welcome and Jurisdiction - Hong Kong Economic and Trade Office, San Francisco." Accessed June 6, 2023. <https://www.hketosf.gov.hk/welcome-jurisdiction.html>.

privileges, exemptions, and immunities in accordance to the International Organizations Immunities Act of 1945.⁹ The law extends to international organizations “the same immunity from suit and every form of judicial process as is enjoyed by foreign governments.” It also states that properties owned by international organizations shall be immune from search or confiscation.

These benefits are substantial, essentially making the HKETOs on par with other entities like the International Monetary Fund and World Health Organization.¹⁰

Currently, there are 19 HKETOs in operation. Five of these—Beijing, Chengdu, Guangdong, Shanghai, and Wuhan—are located on the mainland. Eleven are scattered across 11 countries: Australia, Belgium, Canada, Germany, Indonesia, Japan, Singapore, Switzerland, Thailand, the UAE, and the UK.¹¹ Only in the U.S. are there three locations, reflecting the continued importance placed by the SAR government on relations with America.



9 “Executive Order 13052—Hong Kong Economic and Trade Offices | The American Presidency Project.” Accessed June 6, 2023. <https://www.presidency.ucsb.edu/documents/executive-order-13052-hong-kong-economic-and-trade-offices>.

10 LII / Legal Information Institute. “22 U.S. Code § 288a - Privileges, Exemptions, and Immunities of International Organizations.” Accessed June 6, 2023. <https://www.law.cornell.edu/uscode/text/22/288a>.

11 GovHK (www.gov.hk). “GovHK: Offices Outside Hong Kong.” Accessed June 6, 2023. <https://www.gov.hk/en/about/govdirectory/oohk.htm>.

The Hong Kong Trade Development Council

The relationship between the SAR government and the Hong Kong Trade Development Council is not typically well understood by observers in the United States. While the HKTDC often presents itself as focused on “promot[ing], assist[ing], and develop[ing] Hong Kong’s trade,”¹² it also plays an important role as a financial facilitator of the SAR government’s overseas political activities.

In fact, the HKTDC is a statutory creation of the SAR government, with its chairman directly appointed by the chief executive¹³. The HKTDC’s 19-member governing board of councilors also evinces close ties to the SAR government. Its members include senior-level officials such as the secretary for commerce and economic development as well as the director of information services Fletch Chan. Others represent entities — the Hong Kong Tourism Board, the Hong Kong General Chamber of Commerce, the Chinese General Chamber of Commerce — which have close ties to, or are statutory bodies of, the SAR government.

These ties have made it necessary for the HKTDC to legally register in the U.S. as both an agent of a foreign government and a foreign principal directing lobbying efforts.¹⁴

Members of HKTDC

Chairman

Dr Sunny Chai, BBS, JP
Chairman - The Federation of Hong Kong Industries

Mr Fletch Chan
Director of Information Services - HKSAR Government

Ms Ronna Chao
Chairman - Novetex Textile Limited

Mr Victor Chu, CBE, SBS
Chairman and CEO - First Eastern Investment Group

Dr Herman Hu, SBS, JP
Chairman - Ryoden Development Limited

MR Brian Li, JP
Co-Chair Executive- The Bank of East Asia, Limited

Dr Lo Kam Wing, JP
Managing Director - Wing Li Packaging Ltd

Dr Shi Lop Tak, Allen, BBS, MH, JP
President - The Chinese Manufacturers’ Association of Hong Kong

The Hon Algernon Yau Ying-wah, JP
Secretary for Commerce and Economic Development - HKSAR Government

Shirley Chan, BBS, JP
Vice Chairman - YGM Trading Limited

Mr Kenneth Chan
Executive Director - Kui Fat Yuen Limited

Dr Jonathan Choi, GBM, GBS, BBS, JP
Chairman - The Chinese General Chamber of Commerce

Mr Steve Chuang
Founder and CEO - Precision Enterprise Ltd.

Mr George Leung
CEO - The Hong Kong General Chamber of Commerce

Dr Lin Yong, JP
Deputy Chairman & CEO - Haitong International Securities Group Limited

Dr YK Pang, GBS, JP
Chairman - The Hong Kong Tourism Board

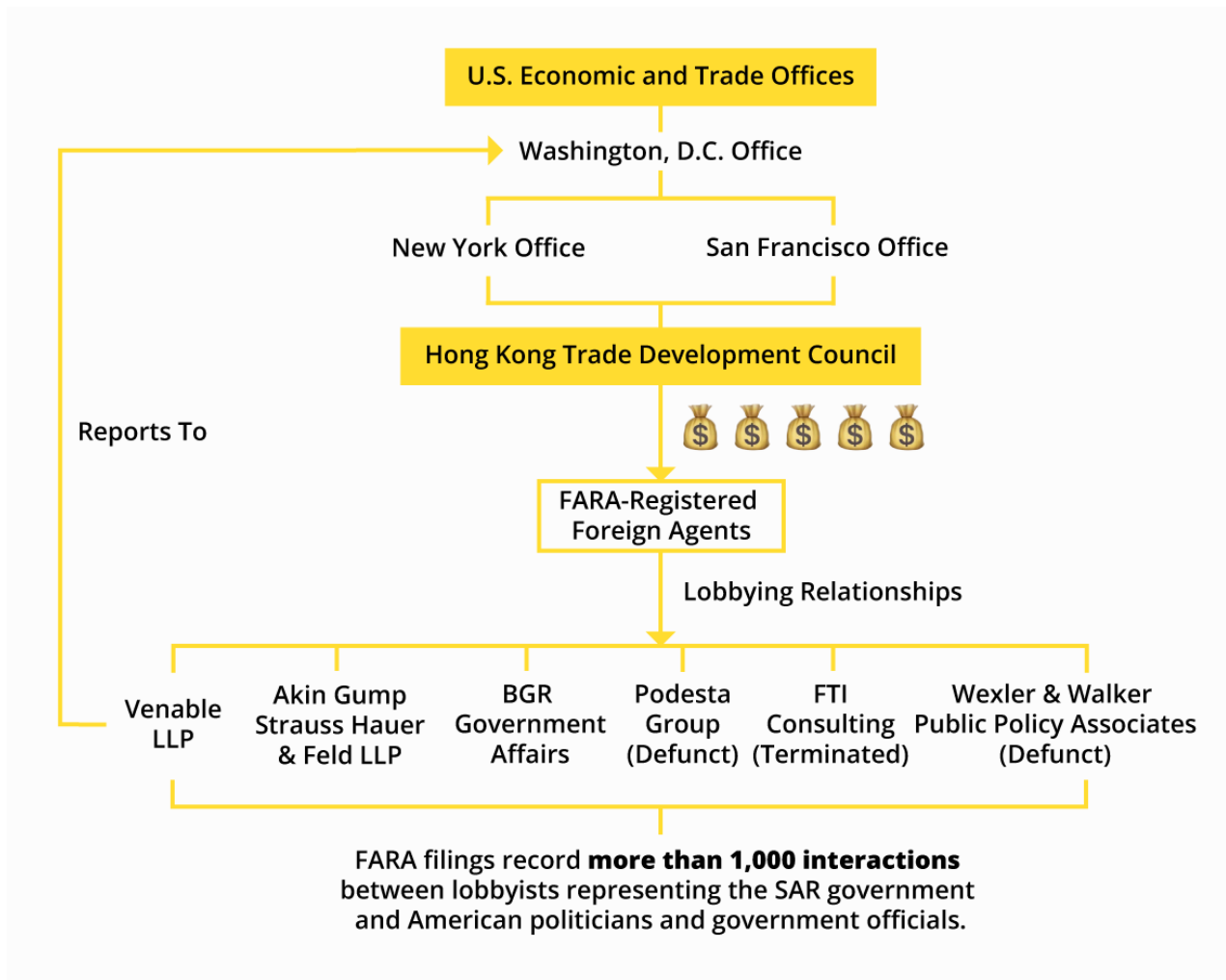
Mr Sun Yu
Chairperson - The Hong Kong Association of Banks

Mrs Betty Yuen, JP
Chairman - The Hong Kong General Chamber of Commerce

¹² “React App.” Accessed June 6, 2023. <https://aboutus.hktdc.com/>.

¹³ “Hong Kong E-Legislation.” Accessed June 6, 2023. <https://www.elegislation.gov.hk/checkconfig/checkClientConfig.jsp?applicationId=RA001>.

¹⁴ <https://efile.fara.gov/docs/3492-Exhibit-AB-20220331-68.pdf>



Scrutinizing the SAR Government's Influence in the U.S.

The SAR government presides over a complicated network of organizations in the U.S., spanning not only HKETOs and the HKTDC but even, according to the U.S. government, Sing Tao (as discussed in the *Scrutinizing the SAR Government's Influence in the U.S.* section of this report). Together, these entities engage in a wide variety of activities to influence U.S. politics and shape the American public's perception of Hong Kong's business, political, and cultural environment. They have spent millions of dollars on lobbying the congressional and executive branches of the U.S. government, forged partnerships with prominent cultural organizations to advance the SAR government's official narratives, and established a strong foothold

in the U.S. Chinese-language media market. The quasi-diplomatic status and ostensibly commercial or journalistic purposes of these SAR government proxies provide legal cover and allow them to gain plausible deniability when they engage in covert influence operations. In short, the network serves as a vector for both pro-Beijing propaganda and more overt attempts to influence U.S. policymaking.

Lobbying

In the U.S., the FARA requires lobbyists employed by foreign governments and other foreign entities to disclose their political activities. In general, FARA mandates that lobbyists for foreign governments and their affiliates disclose their meetings, receipts, and disbursements. As a result, extensive public records documenting the extent of SAR government-supported lobbying efforts in the U.S. are available, even if it is impossible to know whether they are complete due to their self-reported nature.

FARA registrations distinguish between “foreign principals” and “foreign agents.” Per FARA, a “foreign principal”—such as the SAR government—is typically a non-American governmental entity or political party; likewise, a “foreign agent” is any person who conducts lobbying, political, or public relations work on behalf of a foreign principal. In general, FARA filings also distinguish between spending from foreign governments or their affiliated entities (in Hong Kong’s case, typically HKETOs and the HKTDC) and spending from foreign businesses.

The SAR government’s American lobbying efforts and other political activities are typically directed by the HKETO in Washington; in fact, officials from that location have personally met with members of Congress in an effort to influence their views on Hong Kong and Hong Kong-related legislation, including the Hong Kong Human Rights & Democracy Act¹⁵. There is a wealth of evidence documenting that HKETO’s role in directing lobbying efforts in the U.S., particularly regarding the SAR government’s expensive and unsuccessful attempts to stop the passage of Hong Kong-related legislation. Reporting from the Hong Kong Free Press indicates

that, in 2019, lobbying efforts against the passage of the Hong Kong Human Rights and Democracy Act were directed by the Washington HKETO.¹⁶ There were additional cases of lobbyist-arranged meetings between HKETO officials and members of Congress, although the documented client of the lobbyists in question was always the HKTDC.

The HKTDC spent more than \$8.3 million on lobbying expenditures in the United States.

While the SAR government’s lobbying efforts in the U.S. are principally directed by the HKETO in Washington, the HKTDC—registered under FARA for decades—plays an important role as a “middleman” between that HKETO and its U.S. lobbyists. The HKTDC has a long history as a facilitator of SAR government lobbying efforts. In 2005, a Center for Public Integrity report noted that the HKTDC, identified as a “government-backed” entity, spent “more than any other Chinese client [to] lobby on issues affecting Hong Kong, including China’s entry into the World Trade Organization and the 2003 SARS epidemic.”¹⁷ Between the 1997 handover of Hong Kong and the start of the Umbrella Movement in 2014, the HKTDC spent more than \$8.3 million on lobbying expenditures in the United States.¹⁸ Throughout the 2019 protests and in the years following, the HKTDC has continued to act as a conduit for SAR government funds, appearing as the foreign principal for every single one of the more than 400 reported interactions between SAR government lobbyists and American politicians and government officials.

15 <https://efile.fara.gov/docs/6287-Supplemental-Statement-20200526-10.pdf>

16 Cheng, Selina. “Exclusive: Inside the Hong Kong Govt’s Multi-Million Dollar US Lobbying Operation.” *Hong Kong Free Press HKFP*, April 19, 2021. <https://hongkongfp.com/2021/04/19/inside-hong-kong-govts-multi-million-dollar-lobbying-operation-on-capitol-hill/>.

17 Guevara, Marina Walker. “China Steps up Its Lobbying Game.” *Center for Public Integrity*, September 13, 2005. <http://publicintegrity.org/politics/lobby-watch/china-steps-up-its-lobbying-game/>.

18 A 501 tax-exempt, charitable organization 1100 13th Street, NW, Suite 800 Washington, and Dc 20005857-0044. “Hong Kong Trade Development Council Lobbying Profile.” *OpenSecrets*. Accessed June 6, 2023. <https://www.opensecrets.org/federal-lobbying/clients/summary?id=D000051890>.

...pro-SAR government groups spending more than \$35 million on political activities in the U.S.

These expenditures have skyrocketed since 2019, with pro-SAR government groups spending more than \$35 million on political activities in the U.S., a significant portion of which is directly paid to American lobbyists through the HKTDC.¹⁹ Generally, Hong Kong-related spending tends to originate from the SAR government and its affiliates directly; however, since the beginning of 2022, Hong Kong-related political spending has vastly increased following the registration of Sing Tao News Corp. as a non-government foreign principal under FARA.

In general, political spending by SAR government-affiliated organizations has been higher in years when specific pieces of U.S. legislation concerning Hong Kong—for example, the Hong Kong Human Rights and Democracy Act—are debated in Congress. However, as noted later in this report, SAR government lobbying continues even as street protests in the city have faded, with lobbyists reaching out to American officials on a wide range of issues and at a variety of different levels of government.

This three-way alliance between HKETOs, the HKTDC, and American lobbyists has continued even past

Source: <https://efile.fara.gov/docs/3492-Exhibit-AB-20200403-59.pdf>

the events of 2019: for example, a 2020–21 contract between the HKTDC and Akin Gump Strauss Hauer & Feld LLP indicates that coordination on lobbying efforts “will be achieved primarily through meetings convened

by the Hong Kong Economic and Trade Office in Washington, D.C.”²⁰

The Washington HKETO’s participation in political and lobbying activities is not simply a matter of logistical coordination. In fact, it is the key actor in SAR government lobbying in the U.S.; the role of the HKTDC is simply to provide a conduit for SAR government funds that underwrite HKETO-directed lobbying efforts. Notably, Akin Gump Strauss Hauer & Feld’s contract lays bare this reality in a provision stating that lobbyists hired by the HKTDC will, “for administrative purposes, report to and be instructed by the Hong Kong Economic and Trade Office in Washington, D.C., U.S.A of the Government of the Hong Kong Special Administrative Region.”²¹

I refer to the Agreement dated 30 March 2020 signed by the Hong Kong Trade Development Council (the “TDC”) and Akin Gump Strauss Hauer & Feld LLP (the “Consultant”), and I wish to set out my understanding of the manner in which the Agreement will be operated.

The Agreement covers the period 1 April 2020 to 31 March 2021 and can be reviewed at the sole discretion of the TDC for possible extension for another year subject to the same fee level, terms and conditions. Your engagement is funded by the TDC which is the statutory body responsible for promoting, assisting and developing Hong Kong’s overseas trade.

For administrative purposes, it is envisaged under the Agreement that the Consultant will report to and be instructed by the Hong Kong Economic and Trade Office in Washington, D.C.

...the HKTDC funded an HKETO-led legislative effort to block the passage of the landmark Hong Kong Human Rights and Democracy Act

Several American lobbying firms with lucrative contracts with the HKTDC have assigned prominent former members of Congress to represent the interests of the SAR government. These efforts are not simply focused

19 SAR Government Lobbying Influence Database.

20 <https://efile.fara.gov/docs/3492-Exhibit-AB-20200403-59.pdf>

21 <https://efile.fara.gov/docs/3492-Exhibit-AB-20200403-59.pdf>

on trade issues, although the promotion of the Chinese economic priorities in and of itself should be alarming enough to American policymakers. Rather, the SAR government-hired lobbyists also endeavor to forestall Hong Kong's democratic progress overall. In 2019, per reporting from Hong Kong Free Press,²² the HKTDC funded an HKETO-led legislative effort to block the passage of the landmark Hong Kong Human Rights and Democracy Act, a comprehensive bill that sought to fundamentally redefine American policy toward Hong Kong. While the counter-lobbying attempt ultimately failed, it nonetheless demonstrates the broad intent of the SAR government in hiring Washington insiders to advocate for its interests in Congress. Needless to say, HKETO-directed political activities are in direct conflict with the overwhelming democratic aspirations of Hong Kongers in both Hong Kong and the United States.

In total, FARA filings record more than 1,000 interactions between lobbyists representing the SAR government and American politicians and government officials.

Since 2014, lobbying in the U.S. on behalf of the SAR government has been principally conducted by three firms: Akin Gump Strauss Hauer & Feld LLP, Venable LLP, and BGR Government Affairs (previously Barbour, Griffith, & Rogers). The activities of these firms, detailed below, vary significantly, although all involve monitoring developments in U.S. policy toward Hong Kong and lobbying American lawmakers to adopt pro-SAR government policies. In all cases, these firms

enter agreements with the HKTDC and report to the Washington HKETO. In total, FARA filings record more than 1,000 interactions between lobbyists representing the SAR government and American politicians and government officials.

Venable LLP

Since 2014, Venable has been the recipient of \$2.2 million from the SAR government through the HKTDC, Venable's foreign principal.

Venable LLP is an American lobbying and corporate law firm with links to many former members of Congress, former federal judges, and former cabinet officials from both parties.²³ In both 2014 and 2019, former Democratic Congressman Bart Stupak of Michigan, a partner at Venable, was enlisted to advance the unsuccessful HKETO-directed effort to defeat the Hong Kong Human Rights and Democracy Act.²⁴ Since 2014, Venable has been the recipient of \$2.2 million from the SAR government through the HKTDC, Venable's foreign principal.²⁵

Between 2014 and 2022, Venable facilitated 107 interactions with members of Congress and their staff. Services provided to the SAR government by Venable LLP include "protec[ing], promot[ing] and develop[ing] the interests of the Hong Kong Special Administrative Region," as well as "prevent[ing] or minimis[ing] any negative impact that action taken by the U.S., including

22 Cheng, Selina. "Exclusive: Inside the Hong Kong Govt's Multi-Million Dollar US Lobbying Operation." *Hong Kong Free Press HKFP*, April 19, 2021. <https://hongkongfp.com/2021/04/19/inside-hong-kong-govts-multi-million-dollar-lobbying-operation-on-capitol-hill/>.

23 "Legislative and Government Affairs | Services | Venable LLP." Accessed June 6, 2023. <https://www.venable.com/services/practices/legislative-and-government-affairs>.

24 Cheng, Selina. "Exclusive: Inside the Hong Kong Govt's Multi-Million Dollar US Lobbying Operation." *Hong Kong Free Press HKFP*, April 19, 2021. <https://hongkongfp.com/2021/04/19/inside-hong-kong-govts-multi-million-dollar-lobbying-operation-on-capitol-hill/>.

25 A 501 tax-exempt, charitable organization 1100 13th Street, NW, Suite 800 Washington, and Dc 20005857-0044. "Foreign Lobby Watch." *OpenSecrets*. Accessed June 6, 2023. <https://www.opensecrets.org/fara/countries/99>.

action against Hong Kong's major trading partners, may have on the economic well-being of Hong Kong."²⁶

Akin Gump Strauss Hauer & Feld LLP

Since 2014, Akin Gump has been the recipient of \$3.5 million from the SAR government through the HKTDC, Akin Gump's foreign principal.

Akin Gump Strauss Hauer & Feld LLP is the largest lobbying firm in the U.S. by revenue, as well as a major American corporate law firm known for its expertise in international trade and sanctions policy.²⁷ Since 2014, Akin Gump has been the recipient of \$3.5 million from the SAR government through the HKTDC, Akin Gump's foreign principal.²⁸

Between 2014 and 2022, Akin Gump facilitated 132 interactions with members of Congress and their staff, as well as both federal and state government officials. Services provided by Akin Gump to the SAR government include "insight and outreach [. . .] regarding issues related to U.S.-Hong Kong economic and trade relations and other issues of interest."²⁹

Under the auspices of Akin Gump's work for the SAR government, multiple former high-level officials have lobbied on behalf of the SAR government. This includes

the late Vic Fazio, who chaired the House Democratic Caucus,³⁰ as well as Republican National Committee officials Geoff Verhoff and Matthew Hawkins. More significantly, the former House Foreign Affairs Committee chairwoman, Ileana Ros-Lehtinen of Florida, retired from Congress only in 2019 and went on to register as a foreign agent for the HKTDC in 2020.³¹ She was followed in 2022 by another heavyweight, Lamar Smith of Texas, whose 38-year career in Congress was distinguished by his chairmanships of three key committees: Science, Judiciary, and Ethics.

BGR Government Affairs

BGR Government Affairs has been the recipient of \$1.3 million from the SAR government through the HKTDC, BGR's foreign principal.

BGR Government Affairs is a major lobbying firm with strong ties to the Republican Party and a deep bench of foreign-policy experts, former state government officials, and former members of Congress.³² In the short time since it took up a Hong Kong portfolio in 2019, BGR Government Affairs has been the recipient of \$1.3 million from the SAR government through the HKTDC, BGR's foreign principal.³³

26 <https://efile.fara.gov/docs/5931-Exhibit-AB-20190520-11.pdf>

27 *Firsthand*. "Akin Gump Strauss Hauer & Feld LLP | Company Profile." Accessed June 6, 2023. <https://firsthand.co/company-profiles/law/akin-gump-strauss-hauer-feld-llp>.

28 A 501 tax-exempt, charitable organization 1100 13th Street, NW, Suite 800 Washington, and Dc 20005857-0044. "Foreign Lobby Watch." *OpenSecrets*. Accessed June 6, 2023. <https://www.opensecrets.org/fara/countries/99>.

29 <https://efile.fara.gov/docs/3492-Supplemental-Statement-20220801-38.pdf>

30 <https://efile.fara.gov/docs/3492-Exhibit-AB-20200403-59.pdf>

31 <https://efile.fara.gov/docs/3492-Exhibit-AB-20190408-57.pdf>

32 "BGR History | BGR Group," April 26, 2020. <https://bgrdc.com/about-bgr/history/>.

33 A 501 tax-exempt, charitable organization 1100 13th Street, NW, Suite 800 Washington, and Dc 20005857-0044. "Foreign Lobby Watch." *OpenSecrets*. Accessed June 6, 2023. <https://www.opensecrets.org/fara/countries/99>.

Between 2014 and 2022, BGR facilitated 288 interactions with American lawmakers and government officials on behalf of the SAR government.³⁴ BGR is particularly notable among SAR government lobbyists for its wide reach: the bulk of the SAR government’s attempts to reach out to state-level government officials have been carried out by BGR, and on at least one occasion, BGR has contacted an international news agency’s U.S. correspondent as part of a lobbying effort.³⁵

Services provided by BGR to the SAR government include “provid[ing] strategic guidance and counsel with regard to [. . .] Congress’s [sic] appropriations process and the National Defense Authorization Act [and] the U.S. Innovation and Competition Act.”³⁶ BGR likewise offer “policy guidance [. . .] on how to improve bilateral relations with Washington policymakers”³⁷ and facilitate meetings with “Congressional staff and the offices of Governors on a range of issues in the U.S.-Hong Kong relationship,”³⁸ including “the coronavirus pandemic and bilateral trade.”³⁹

Lobbying Firms	Amount received from the SAR government through the HKTDC since 2014	Number of interactions facilitated with Congressional staff/ lawmakers/government officials/media/think tanks
Venable LLP	\$2.2 million	107
Akin Gump Strauss Hauer & Feld LLP	\$3.5 million	132
BGR Government Affairs	\$1.3 million	288
Total	\$7 million	527

Defunct Lobbying Relationships & Legal Services

The SAR government has also hired a variety of other firms required to register as foreign agents under FARA. These companies include the lobbying firms FTI Government Affairs (FTI Consulting), Podesta Group, Legislative Strategies Inc., and Wexler & Walker Public Policy Associates, as well as the legal consultancy Jacobs Global Trade and Compliance and the law firm Sidley Austin LLP.

As of the publication of this report, FTI Consulting, Podesta Group, Legislative Strategies, Inc., and Wexler & Walker Public Policy Associates have terminated their relationships with the HKTDC and the SAR government. Because these firms no longer represent the SAR government in any capacity and have not done so for many years, their activities are of lesser concern. However, the interactions facilitated by these firms do make up a significant portion of interactions between SAR government lobbyists and American politicians and government officials; as such, they are briefly summarized below.

From 2014 until the firm terminated its relationship with the HKTDC in 2015,⁴⁰ FTI Consulting facilitated 36 interactions with American lawmakers and government officials on behalf of the SAR government.⁴¹ Notably, almost all of these interactions (34 out of 36) were face-to-face meetings or contacts with members of Congress, rather than meetings between lobbyists and

34 SAR Government Lobbying Influence Database

35 Ibid.

36 <https://efile.fara.gov/docs/5430-Supplemental-Statement-20210630-45.pdf>

37 <https://efile.fara.gov/docs/5430-Supplemental-Statement-20221221-50.pdf>

38 <https://efile.fara.gov/docs/5430-Supplemental-Statement-20211230-47.pdf>

39 <https://efile.fara.gov/docs/5430-Supplemental-Statement-20220629-49.pdf>

40 <https://efile.fara.gov/docs/6217-Supplemental-Statement-20150529-2.pdf>

41 SAR Government Lobbying Influence Database.

Congressional staff.⁴² During this time, FTI Consulting received \$371,250 from the HKTDC.⁴³

From 2014 until the firm ceased to exist in 2017, Podesta Group facilitated 359 interactions with American lawmakers and government officials on behalf of the SAR government.⁴⁴ During this time, Podesta Group received \$1,173,361 from the HKTDC.⁴⁵

From 2014 until the firm terminated its relationship with the HKTDC in 2020, Legislative Strategies, Inc. facilitated 107 interactions with American lawmakers and government officials on behalf of the SAR government.⁴⁶ During this time, Legislative Strategies, Inc. received \$2,220,000 from the HKTDC.⁴⁷

In 2014, Wexler & Walker Public Policy Associates received \$10,890 for “Performance of Consultancy Services from January 1 - January 10, 2014” from the “Hong Kong Trade Development Council (through the Hong Kong Economics [sic] and Trade Office).”⁴⁸ During this short period of time, Wexler & Walker does not appear to have facilitated any meetings with American lawmakers or government officials.

Two firms—Jacobs Global Trade & Compliance and Sidley Austin LLP—have also received funds from the HKTDC for legal work, although it is unclear how these legal services are connected to lobbying efforts funded by the HKTDC. Although neither of these firms have facilitated any interactions with American politicians or government officials, these firms’ work for the HKTDC is included in the SAR Government Influence Database and summarized below.

Since the legal consultancy Jacobs Global Trade & Compliance was hired by the HKTDC in 2019, the firm has received \$1,533,740 from the HKTDC for “advice and analysis, including legal research with respect to U.S. trade law and policy.”

Sidley Austin, which terminated its relationship with the HKTDC in 2019⁴⁹, received \$2,339,358 from the HKTDC for legal services, the nature of which are unknown.⁵⁰

Defunct Lobbying Relations	Service Period	Amount Received From the SAR Government Through the HKTDC for Lobbying Services
FTI Consulting	2014-2015	\$371, 250
Podesta Group	2014-2017	\$1, 173, 361
Legislative Strategies, Inc	2014-2020	\$2, 220, 000
Wexler & Walker Public Policy Associates	2014	\$10, 890
Total		\$3, 775, 501

Defunct Lobbying Relations	Service Period	Amount Received From the SAR Government Through the HKTDC for Legal Services
Jacobs Global Trade & Compliance	2014-2019	\$1, 533, 740
Sidley Austin	2014-2019	\$2, 339, 358
Total		\$3, 873, 098

42 *Ibid.*

43 *Ibid.*

44 SAR Government Lobbying Influence Database.

45 *Ibid.*

46 *Ibid.*

47 *Ibid.*

48 <https://efile.fara.gov/docs/5265-Supplemental-Statement-20140730-19.pdf>

49 <https://efile.fara.gov/docs/3731-Supplemental-Statement-20191021-35.pdf>

50 SAR Government Lobbying Influence Database

Cultural Partnerships and Masked Propaganda

A key function of HKETOs has been to promote Hong Kong's international reputation. To this end, HKETOs—and in particular, the Washington HKETO—have established long-running ties to various American cultural institutions. In the past, these partnerships were beneficial to the U.S.-Hong Kong community, but their continuation has become increasingly problematic in light of the SAR government's sharp authoritarian turn. In fact, the danger of allowing HKETOs to maintain ties with organizations in the American public humanities goes well beyond the reputational and ethical costs typically associated with financial dealings involving authoritarian regimes. HKETOs use events it sponsors and co-hosts to promote pro-Beijing narratives that seek to reframe historical events and recent happenings.

For example, in 2022, the Washington HKETO held a Lunar New Year celebration commemorating the handover of Hong Kong to China, forcing a narrow political meaning onto an otherwise inclusive festival.⁵¹ In other cases, HKETO officials have visited top American universities⁵² seeking to attract American talent to Hong Kong by promoting SAR government campaigns that misrepresent Hong Kong as a hub for global tech and finance despite eradicating the freedoms that make it possible. HKETO officials also made specific claims about the status of the legal system in Hong Kong, in one instance claiming that Hong Kong remains a city with a “robust” legal system, an “independent judiciary [which] upholds the rule of law and provides and fair and transparent legal

environment for businesses to operate,” and “efficient and transparent government services.”⁵³ Their credibility comes in part from prestigious U.S. institutions that fail to scrutinize HKETO claims of sponsoring artistic, educational, and cultural events as principally a matter of “foster[ing] people-to-people exchange through arts and culture.”⁵⁴

At the time of this report's publication, the HKETOs have sponsored events at the National Museum of Asian Art (NMAA), the Renwick Gallery, the American Art Museum, and the New York Ballet. These events range from Lunar New Year celebrations to film festivals to stage performances; they often escape the attention of human-rights organizations that typically object to the encroachment of authoritarian governments into American society.

U.S. lawmakers across the aisle have criticized HKETO motives in securing these partnerships. Congressman Michael McCaul of Texas, current chairman of the House Foreign Affairs Committee and former chairman of the House Homeland Security Committee, has raised concerns that U.S. institutions partnering with HKETOs might be “contributing to th[e] objectives” of the SAR government. Likewise, Senator Jeff Merkley of Oregon, co-chairman of the Congressional-Executive Commission on China, has referred to the Washington HKETO as “the Hong Kong government's U.S.-based propaganda office” and decried its work with the Smithsonian Institution as “completely unacceptable.”⁵⁵

Thus far, civil-society responses to these partnerships between American cultural institutions and HKETOs have almost exclusively been led by diasporic Hong

51 *Twitter*. “[https://twitter.com/SamuelBickett/status/1618988764902330368?s=20](https://twitter.com/SamuelBickett/Status/1618988764902330368?s=20).” Accessed June 6, 2023. <https://twitter.com/SamuelBickett/status/1618988764902330368?s=20>.

52 *Twitter*. “[https://twitter.com/Hkdc_us/status/1644737177845153792?s=20](https://twitter.com/Hkdc_us/Status/1644737177845153792?s=20).” Accessed June 6, 2023. https://twitter.com/hkdc_us/status/1644737177845153792?s=20.

53 *Dimsum Daily, Hong Kong*. “Spokesperson for HKETO in New York Says HK Is a Global Business Hub with Abundant Opportunities for Enterprises and Talents.” *Dimsum Daily (blog)*, April 8, 2023. <https://www.dimsumdaily.hk/spokesperson-for-hketo-in-new-york-says-hk-is-a-global-business-hub-with-abundant-opportunities-for-enterprises-and-talents/>.

54 *POLITICO*. “Smithsonian's Hong Kong Ties Rile pro-Democracy Activists,” July 21, 2022. <https://www.politico.com/news/2022/07/21/smithsonians-official-hong-kong-ties-rile-pro-democracy-activists-00046873>.

55 *Ibid.*

Kong organizations. In the most successful case to date, a joint campaign led by a coalition of 20 local groups to terminate the NMAA-HKETO partnership prevailed after months of public pressure and private engagement, including meetings with Smithsonian directors and a series of open letters.⁵⁶ Activists have suggested that the NMAA's lack of familiarity with their Hong Kong counterpart—or the political implications of partnering with HKETOs—slowed down efforts.



Read Hong Kongers' Joint Letter: #NoToHKETO

Partnerships with HKETOs mirror other authoritarian governments' attempts to ingratiate themselves with American life. Advertisements from Chinese state-sponsored media, for example, have long occupied Times Square billboards in New York, and the Smithsonian Institution — which still maintains a commercial relationship with HKETOs through the Renwick Gallery—has partnered, and remains in cooperation with the United Arab Emirates.⁵⁷ A key goal of activists and civil-society actors seeking to limit the influence of the SAR government globally should be to form coalitions with other groups objecting to the influence of foreign dictatorships over American cultural institutions. Similarly, human-rights organizations, as well as ethics and compliance specialists at U.S. nonprofits, should carefully monitor HKETO spending.

Overall, HKETOs organize film festivals, dragon-boat events, and other cultural events targeting business elites. The widespread unawareness of HKETOs often

allow partnerships with them to appear unobjectionable to executives and administrators of American cultural institutions. In general, the aforementioned idiosyncrasies of each HKETO's legal and diplomatic status enable this, making federal-government action to revoke their quasi-diplomatic privileges all the more important. Further public education on this matter, as well as a diversification of hiring on the part of cultural institutions to encompass individuals with a stronger connection to Hong Kong when promoting Hong Kong-related events, will prove instrumental in limiting HKETO influence.

Similar to the case of the HKETOs, the HKTDC conducts significant outreach to U.S.-based Hong Kong affinity organizations. For example, the HKTDC has a longstanding relationship with organizations such as the Hong Kong Association of New York (HKANY), a 501(c)(6) nonprofit business league founded in 1987 to “promot[e] business relationships between Hong Kong and New York City.”⁵⁸ HKTDC directors have spoken at HKANY events,⁵⁹ and the HKTDC offers specific benefits to HKANY members.⁶⁰ While the type of collaboration is often corporate-led, they nevertheless allow the HKTDC to operate behind the cover of facilitating trade.

56 <https://www.politico.com/f?id=00000185-a5c6-d638-a3bf-f7ff3e8f0000>

57 Smithsonian Institution. “UAE Cultural Traditions Explored at the 2022 Smithsonian Folklife Festival.” Smithsonian Institution. Accessed June 6, 2023. <https://www.si.edu/newsdesk/releases/uae-cultural-traditions-explored-2022-smithsonian-folklife-festival>.

58 HKANY. “Nonprofit | Hong Kong Association of New York | New York.” Accessed June 6, 2023. <https://www.hkany.org>.

59 穆伟. “China's Wine Consumption Is Growing - USA - Chinadaily.Com.Cn.” Accessed June 6, 2023. [//usa.chinadaily.com.cn/a/201404/25/W55a2fa9daa3108bc8c672835f.html](https://usa.chinadaily.com.cn/a/201404/25/W55a2fa9daa3108bc8c672835f.html).

60 “HKANY Membership 2022 | January 1, 2022.” Accessed June 6, 2023. <https://happeningnext.com/event/hkany-membership-2022-eid4sntkes0bt1>.

Media Manipulation — The Case of Sing Tao



The uptick in FARA enforcement has already led to U.S. government action on Hong Kong issues, although its efficacy and reasoning are a matter of some dispute. In 2021, the Department of Justice ordered the American subsidiary of Sing Tao Daily, a Chinese-language newspaper based in Hong Kong, to register as a foreign agent.⁶¹ Unlike many other Chinese firms that the U.S. has forced to register, Sing Tao's ties to Beijing are contested. Notably, in response to the requirement that it file as a foreign agent, Sing Tao disputed the factual basis for the Department of Justice's action, claiming that it is neither "controlled nor influenced" by the Chinese regime or any of its affiliates.⁶²

However, Radio Free Asia reported that⁶³ the move may be related to the \$50 million stake in Sing Tao recently purchased by Kwok Ying-Shing, the owner of the mainland Chinese real-estate firm Kaisa Group, who is accused of acting as a "white-glove" cutout for the Chinese government.

Citing Sing Tao's ties to Kaisa Group, the former assistant editor-in-chief for Hong Kong's pro-China Commercial Daily Joseph Long alleged⁶⁴ that Sing Tao has long been an overseas arm of the Chinese Communist Party's United Front Work Department.

Corresponding allegations were also made in a 2021 investigation of United Front Work Department operations in New York.

Similarly, former Apple Daily senior executive Mark Simon⁶⁵ alleged that Sing Tao once bribed a technician at Next Digital—Apple Daily's parent company—to facilitate a leak of the internal communications of not just Apple Daily, but various pro-democracy organizations in Hong Kong as well.

These ambiguities in the Sing Tao case demonstrate how FARA registration requirements—not to mention the general category of "foreign agent"—may be insufficient to properly categorize and address foreign influence in the U.S., whether in the form of direct lobbying or the broader category of "political activity" covered by the law. The toolbox to address a range of related concerns surrounding foreign influence in the U.S. ranging from lobbying efforts in Washington to much broader transnational United Front operations, is rather limited.

If indeed Sing Tao is a clandestine arm of the Chinese Communist Party's overseas media operations, the key risk to U.S. individuals and national security relates to Sing Tao's role as an outlet for pro-Beijing disinformation. (In fact, a CCP-backed hacking group has used modified Sing Tao articles for disinformation purposes, though there is no reason to believe that Sing Tao consented to this use.⁶⁶) Because FARA was designed to target lobbying, its registration requirements alone do nothing to address potential disinformation conducted by the likes of Sing Tao. Quite the contrary: Registering

61 *South China Morning Post*. "Hong Kong Newspaper Sing Tao Forced to Register US Arm as Foreign Agent," August 26, 2021. <https://www.scmp.com/news/china/diplomacy/article/3146478/hong-kong-newspaper-sing-tao-forced-register-us-arm-foreign>.

62 *Radio Free Asia*. "Hong Kong Newspaper Treated as Agent of Foreign State in US." Accessed June 6, 2023. <https://www.rfa.org/english/news/china/agent-08272021115240.html>.

63 *Ibid.*

64 *Ibid.*

65 *Twitter*. "https://twitter.com/MarkSimonHK/status/1609708207374536704?s=20." Accessed June 6, 2023. <https://twitter.com/MarkSimonHK/status/1609708207374536704?s=20>.

66 *Greenberg, Andy*. "A Pro-China Disinfo Campaign Is Targeting US Elections—Badly." *Wired*. Accessed June 6, 2023. <https://www.wired.com/story/us-midterm-election-disinformation-dragonbridge/>.

under FARA allows them to keep operating lawfully.

A questionable entity like Sing Tao advances Beijing's interests in multifaceted ways, far beyond taking advantage of the American free press — as do the likes of China Central Television and Russia Today — to shape public opinion. Yet beyond mere registration, no further investigation of Sing Tao's potential United Front ties appears to be forthcoming. Sing Tao is thus categorized as a "foreign agent" on the books (and as of the writing of this report, remains the single largest spender among FARA-registered entities from Hong Kong), but little information is available on what exactly it does, or what the specific nature of its work as a "foreign agent" entails.

This is not to say that registering Sing Tao under FARA has produced no results. The financial details of Sing Tao's operations in the U.S., now required to be listed as reported expenditures in Sing Tao's twice-yearly disclosure forms, have given journalists an opportunity to dig into the specific expenses and income of the newspaper.⁶⁷ Additionally, for analysts and observers worried about Sing Tao's role as an agent of Chinese government-backed media operations, Sing Tao's registration as a foreign agent may pose a significant hurdle for any individual posing as a Sing Tao journalist to secure press credentials to report on U.S. federal legislative affairs.

The complicated intersection of China policy and concerns over SAR government influence in the Sing Tao case demonstrates to observers in the U.S. government and civil society that China policy and Hong Kong policy are inseparable, even on matters relating to intelligence and national security that were once considered the sole domain of U.S. approach to Chinese leaders. This rapidly increasing closeness between Hong Kong policy and broader China policy signals a need for the U.S. government to develop a more sophisticated approach to both. As discussed below, FARA registration unaccompanied by further investigation or enforcement

has historically done nothing to impede more overt cases of SAR government influence.

Recommendations

Revoking HKETO Privileges

Broader public and political discussion of HKETO lobbying should focus on the above facts—that because of their well-documented lobbying campaigns against human rights-related legislation, HKETOs should be considered what is, in essence, a malign foreign-government operation that menaces American residents and attempts to stymie American foreign-policy goals. Collectively, the three HKETOs may be thought of as the nexus of SAR government influence in the U.S.: they coordinate activities with the HKTDC and top-line lobbying firms against pro-democracy bills, push forward narratives that mischaracterize political changes in Hong Kong, and fund expensive public-relations campaigns designed to attract investment in, international and tourism to, Hong Kong as if business was usual.

In light of the deterioration of freedoms in Hong Kong, then-Secretary of State Mike Pompeo invoked the Hong Kong Human Rights and Democracy Act of 2019 on May 27, 2020 to remove separate treatment from China that was put in place by the U.S.-Hong Kong Policy Act of 1992. The Biden administration concurs with the assessment that no meaningful differences exist between Hong Kong and China. HKDC believes there is no clear political rationale for allowing HKETOs to continue operations. Doing so contradicts official U.S. policy by allowing the SAR government to continue to carry on the charade of being an autonomous entity even though that is not true.

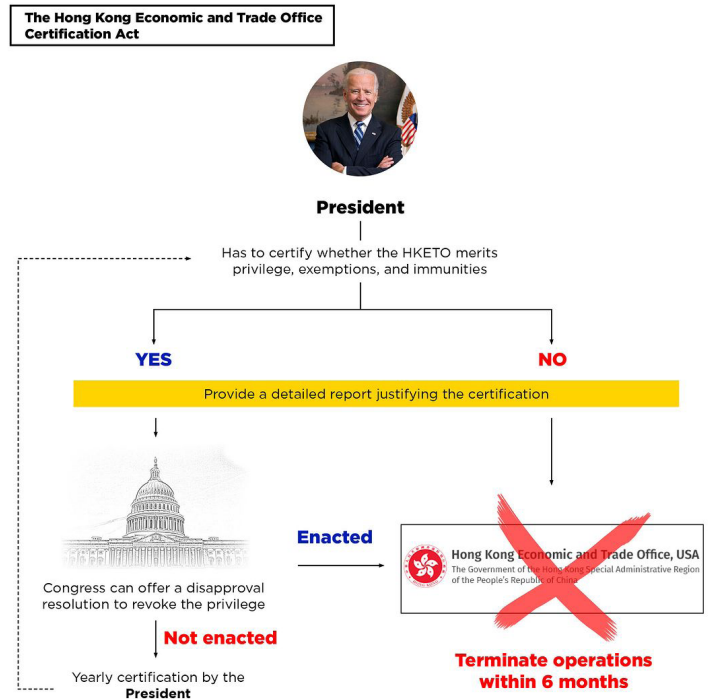
⁶⁷ <https://efile.fara.gov/docs/6999-Exhibit-AB-20210823-1.pdf>

Additionally, it is notable that HKETOs are not, and have never been, proper diplomatic establishments. They do not serve the role of embassies in either a legal or de facto sense; they are not headed by an ambassador and unable to provide consular services to Hong Kongers in the United States. But while HKETOs during the British colonial era indeed performed only limited functions, their deceptive name masks the myriad political activities in which they engage today..

On December 14, 2022, Senator Marco Rubio of Florida and Congressman Chris Smith of New Jersey introduced the HKETO Certification Act, a bill designed to roll back President Clinton’s Executive Order 13052 as well as monitor and regulate the behavior of HKETOs in the United States. If passed, the legislation will mandate that the president make an annual determination as to whether HKETOs in the U.S. merit the extension of the legal privileges, exemptions, and immunities they currently enjoy.



If the president concludes that the present arrangement is no longer warranted, HKETOs must terminate their operations within six months. And should the president decides that it should be renewed for another year, the legislation will permit Congress to offer a disapproval resolution to override the initial determination.



While the spending for questionable counter-lobbying efforts is facilitated by the HKTDC, U.S. government action against HKETOs can nevertheless easily cripple the effectiveness of these lobbyists. By removing the ability of HKETOs to operate in the U.S., the federal government can leave those who represent the SAR government without significant direction, potentially imperiling the contracts themselves.

Though it may seem to some as a drastic step to remove HKETOs, it should be noted that the HKETOs' status has always been unusual. Among non-diplomatic establishments granted the same privileges and immunities, HKETOs are more of an outlier as representatives of a single government. The absolute majority of other entities that operate under the terms of the International Organizations Immunities Act of 1945 are global in nature, including the United Nations, the World Trade Organization, and the International Criminal Police Organization (Interpol).

Notably, these other entities play a large role in American foreign policy, unlike HKETOs; they are key nexuses of economic, scientific, medical, trade, and law-enforcement coordination between different countries. The inclusion of HKETOs, by contrast, serves none of the objectives above while presenting many unnecessary risks. As shown throughout this report, HKETOs exist in the U.S. today to coordinate and fund influence operations.

Furthermore, unlike their counterparts in Europe, HKETOs in the U.S. do not serve as representatives to international organizations such as the WTO⁶⁸ or European Union⁶⁹. While the status of Hong Kong's membership in international organizations such as the World Trade Organization—which is a separate yet no less consequential matter—should itself also be reviewed, HKETOs in the U.S. cannot even lean on

a representative function to justify their continued existence.

Bolstering FARA Enforcement

Recent years have seen an increasing focus on the Foreign Agents Registration Act of 1938, particularly with regard to American lobbyists whose clients include major U.S. geopolitical adversaries. FARA enforcement prosecutions against unregistered foreign agents representing Russian oligarchs and regime-connected clients, for example, have become substantially more common as tensions between Washington and Moscow increase.

This uptick in FARA enforcement is a strong opportunity for the federal government—both the legislative and executive branches—to reassess its previously lax attitude toward lobbying as a vector of foreign influence in American politics. This report advocates for the further monitoring of SAR government-connected lobbyists not just as a method of holding malign actors and governments accountable, but also as a way of combating Beijing's long arm overseas. In this sense, the incentives of the U.S. government, even outside of the scope of human-rights policy, overlap strongly with the interests of pro-democracy Hong Kongers.

To be clear, there is some risk that an overzealous search for Hong Kong (and Chinese) government influence in the form of “foreign agents” can turn out to be counterproductive in several ways. Politically-motivated accusations without any solid legal foundation might lead to an increase in xenophobia or racial profiling—as has happened in previous attempts to identify foreign influence at U.S. universities—and encourage counterproductive over-reporting.

HKDC recommends a targeted search for SAR

68 “Hong Kong Economic and Trade Office - Representation (WTO) | Genève Internationale.” Accessed June 6, 2023. <https://www.geneve-int.ch/hong-kong-economic-and-trade-office-representation-wto-0>.

69 Hong Kong economic and trade office, Brussels. “Hong Kong Economic and Trade Office, Brussels.” Accessed June 6, 2023. <https://www.hongkong-eu.org/>.

government influence, starting with the lobbyists & lobbying firms listed in this report and in HKDC's SAR Government Lobbying Influence Database. As legal experts have observed, the relatively stringent rules on foreign government lobbying can be enforced in a more timely and attentive manner,⁷⁰ including against lobbying firms that have recently represented the SAR government.



Visit Our Database

For example, the SAR government has run into legal issues with its hiring of lobbyists. In particular, an attempt by the HKTDC and its lobbying firm Akin Gump to hire Ileana Ros-Lehtinen, the former chairwoman of the House Foreign Affairs Committee, as a “team leader”⁷¹ on SAR government lobbying efforts some three months after she retired from politics drew accusations from a campaign finance watchdog group⁷² that Ros-Lehtinen, Akin Gump, and the HKTDC had run afoul of a federal ban on former lawmakers advising foreign governments within a year of leaving office.⁷³

An act of Congress or executive order can also impose additional requirements on HKETOs and the HKTDC to more openly disclose the nature of their ties to the Chinese government. Such action can invite more public scrutiny over reputable lobbying firms. Congressional investigations into HKTDC-funded lobbyists and law firms may also help bring public pressure to bear on otherwise well-regarded lobbying firms who currently represent the SAR government. Such investigations could also yield further information about SAR

government influence in the United States, supplementing the information available in self-reported FARA disclosures.

Outside of FARA, Department of Justice authorities whose responsibilities include oversight of former lawmakers should pay attention to the limitations of current federal foreign agent registration requirements, especially in cases where relationships with Chinese or Hong Kong SAR government clients are both murky and difficult to discern through current FARA requirements.

70 Kelemen, Michele. “DOJ Is Stepping up Enforcement of a Law That Regulates Foreign Lobbying in Washington.” NPR, July 5, 2022, sec. National. <https://www.npr.org/2022/07/05/1109883086/doj-is-stepping-up-enforcement-of-a-law-that-regulates-foreign-lobbying-in-washi>.

71 Campaign Legal Center. “Campaign Legal Center Asks for Investigation into Ros-Lehtinen,” March 6, 2020. <https://campaignlegal.org/media-mentions/campaign-legal-center-asks-investigation-ros-lehtinen>.

72 *Ibid.*

73 LII / Legal Information Institute. “18 U.S. Code § 207 - Restrictions on Former Officers, Employees, and Elected Officials of the Executive and Legislative Branches.” Accessed June 6, 2023. <https://www.law.cornell.edu/uscode/text/18/207>.

Scrutinizing HKTDC and Other Sponsors of “Business and Cultural Activities”

As in the case of HKETOs, it is often unclear to even keen observers of Sino-American relations that the HKTDC has any relationship with the SAR government at all. The HKTDC’s primary role as a sponsor of business and cultural exchanges helps disguise its key role in facilitating lobbying efforts. In general, the HKTDC escapes notice among policymakers because many of its activities involve putatively non-political commercial activities. For example, it has become a minor fixture in parts of the American fashion industry by sponsoring brand campaigns at New York Fashion Week and similar events.⁷⁴ Because of this dual role played by the HKTDC—wherein it acts as both a facilitator of government lobbying and private commercial relations—it can effectively serve as a sort of smokescreen for the SAR government to hide behind the facade of lobbyists merely representing Hong Kong businesses.

The HKTDC’s activities pose a significant policy problem for groups looking to curb the SAR government’s influence in the United States. Unlike HKETOs, which can have their privileges and immunities revoked by an act of law, there is no existing basis for the U.S. government to restrict the HKTDC’s political activities. Additionally, existing reporting requirements imposed by the U.S. government also do not give activists and journalists looking to facilitate a non-policy response to the HKTDC enough information about the extent of its activities in the United States. FARA filing requirements, for instance, do not give the public a clear view into the HKTDC’s finances.

There is no specific proposed fix from Congress for either of these issues, although there is some legislative

interest in restricting the activities of professional-services firms that work for Chinese government-connected entities, under which the HKTDC may fall if properly recognized as such. In July 2022, Senator Josh Hawley of Missouri introduced the Time to Choose Act, a bill that, if passed, will prohibit federal agencies from contracting with firms that “provid[e] consulting services to the Government of the People’s Republic of China and proxies or affiliates thereof.”⁷⁵ This presents the best opportunity to at least rein in lobbyists working on behalf of the SAR government through arrangements made by the HKTDC. It remains possible as well that a stronger version of the bill might extend to cover foreign lobbying activities directly in the future.

In general, the use of the HKTDC as a cutout for SAR government influence operations dovetails with growing concern about the nature of Chinese government-linked influence operations. While the case of Sing Tao, as mentioned above, remains relatively unclear, it is apparent that decades of FARA registration have done little to curb the activities of the HKTDC and its like, which have a far more demonstrated interest in directly influencing American legislation.

74 Tatler, Hong Kong. “A Closer Look At HKTDC’s Fashion Hong Kong Campaign In New York.” *Tatler Asia*. Accessed June 6, 2023. <https://www.tatlerasia.com/style/fashion/hktdc-fashion-hong-kong-campaign-in-new-york>.

75 Senator Josh Hawley. “New Hawley Bill to Crack Down on McKinsey, Management Consultants’ China Contracts,” July 18, 2022. <https://www.hawley.senate.gov/new-hawley-bill-crack-down-mckinsey-management-consultants-china-contracts>.

Naming and Shaming Lobbyists for Autocrats

Outside of direct government action, the government and civil-society response to U.S. lobbyists who first accumulated political influence as public servants and now represent the interests of the SAR government has been weak. While some other foreign lobbying ties by former U.S. lawmakers have become the subject of increasing bipartisan focus, that is not the case with respect to Hong Kong.

Sometimes, when an important national-security matter—like the status of the Chinese technology firm, Huawei, in the U.S.—is at stake, there is some relatively high-profile “name and shame” reporting on former members of Congress who speak for questionable clients. This kind of attention is needed more universally to increase the reputational risks, for instance, for the HKTDC’s lobbyists.

Concern over HKETO lobbying spending is also continuous with the growing debate over limiting the influence of special interests over the American legislative process at every level. In HKDC’s view, the best course of action is to capitalize on this bipartisan concern to move swiftly against HKETOs and their ally, the HKTDC. Such efforts, which will be principally led by a legislative effort, can also be supplemented by robust support from anti-corruption advocates in civil society.

Methodology

All data in the SAR Government Lobbying Influence Database was gathered from supplemental statements filed by registered foreign agents and maintained by the U.S. Department of Justice's NSD/FARA unit. Because of the self-reported nature of these records, some information, such as the specific nature of consulting services performed or the specific topics of discussion between SAR government lobbyists and American politicians and government officials, is not available.

To protect the privacy of individuals, HKDC has chosen to omit the names of congressional staffers, federal bureaucrats, and state government officials who interacted with SAR government lobbyists. The inclusion of any elected official named in the SAR Government Lobbying Influence Database does not suggest any complicity in the SAR government's foreign influence operations in the U.S., nor does it suggest any sympathy on the part of named elected officials for the political positions of the SAR government or the CCP. The names of elected officials are included only to demonstrate the scope and nature of the SAR government's attempts to influence the American legislative process, and to provide constituents with information that may be used for advocacy purposes on behalf of Hong Kong's democratic movement.

The Counter-Lobby Confidential: How Beltway Insiders Do the Hong Kong Government's Bidding

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