

# Summary of *Made in Beijing: The Plan for Global Market Domination*



The Office of Private Sector, Counterintelligence Division, and Training Division recently created a 30-minute film entitled ***Made in Beijing: The Plan for Global Market Domination***. The goal of this documentary is to create a compelling narrative for the private sector and help them recognize the urgent need to protect their intellectual property against sustained and ongoing industrial espionage by the People's Republic of China (PRC). The U.S. government estimates a loss of up to billions of dollars a year because valuable research and intellectual property are stolen from U.S. companies and research institutions by Chinese spies and other non-traditional collectors working at the behest of the Chinese Government. These include engineers, scientists, and researchers who are incentivized or pressured to steal data and information by programs run by the PRC.

The ***Made in Beijing*** story of the complex U.S. economic relationship with Beijing begins with President Nixon's historic trip to China in 1972, and fast forwards to Made in China 2025. It is a roadmap of the PRC's goal of becoming the world's top economic powerhouse by 2025, through sometimes unfair and illegal practices. The history lesson is presented by employing historic film clips to highlight how China's Communist Party ushered the People's Republic of China onto the world economic stage, where it is now welcomed as an important market competitor.

The documentary will be a wake-up call to U.S. business executives. Industrial espionage is an equal opportunity offender, and it can strike any company—from large, sprawling established entities with numerous subsidiaries to small "Mom and Pop" businesses with a handful of employees. The threat can come from any direction—from a long-trusted employee (regardless of race or ethnicity), to cyber-hackers, or individuals stealing precious trade secrets in an Iowa cornfield.

The goal of *Made in Beijing* is to encourage private sector companies to reach out to their FBI field office to establish a relationship, and educate themselves on steps they can take to prevent the theft of their intellectual property. This film focuses on the impact of the threat through the first-hand experiences of business executives whose companies were targeted by the PRC. The often jaw-dropping examples showcase the brazenness of the PRC's aggressive approach to stealing intellectual property. It can help private sector leaders learn to recognize the threat, gain insight on how it could happen to them, and understand how to better protect their trade secrets.

*The FBI does not and will not target people based on their race or ethnicity, and recognizes the many contributions Asian Americans, Pacific Islanders, and Chinese nationals have made—and continue to make—to our nation.*

Search for 'Made in Beijing'  
on UNET for more  
movie resources.



# Synopsis of Cases



## SINOVEL – A TALE OF TWO COMPANIES

American Superconductor was a \$400 million company looking to vertically integrate into the wind energy market and earn \$1 billion by the end of 2011. They discovered that their primary customer, Sinovel Wind Group—a Chinese company—had stolen its proprietary source code by the purposeful and premeditated compromise of an insider. American Superconductor lost 85 percent of its market capitalization almost overnight, was forced to lay off over 600 employees, and nearly went out of business. This was the first time a Chinese company was prosecuted and convicted for theft of trade secrets in the United States.

## CHARLOTTE – LICENSE TO STEAL

In early 2014, a small energy company based in Charlotte, North Carolina, suspected an employee, Xiwen Huang, of stealing their technology. Executives called the FBI and agents opened a counterintelligence investigation. The investigation revealed that over the span of five years, Huang stole hundreds of trade secrets and proprietary documents from three U.S.-based companies. Huang used the stolen materials to pursue business ventures in China and position himself to compete directly with the victim companies. Moreover, his actions were sponsored by both China's 100 and 1000 Talents Programs, essentially incentivizing these thefts in support of China's Five-Year Plan. Huang was arrested, pled guilty, and convicted of Theft of Trade Secrets; he was sentenced to 60 months in federal prison.

## PURPLE MAZE – CORN SEED THEFT

A successful Economic Espionage/Theft of Trade Secrets case, code named Purple Maze, involved the theft of bio-engineered corn seed by the leading Chinese agriculture company Beijing Dabeinong Technology (DBN). This case was successfully prosecuted because of the liaison relationship between the FBI and private sector victim companies involved. Purple Maze highlights the FBI's ability to intervene at a critical point to prevent the further loss of the proprietary information.

## PRIME WEIGHT – MARITIME TECHNOLOGY TRANSFER

In 2017, the FBI's Houston Division disrupted a China-linked technology transfer scheme targeting syntactic foam, a maritime technology essential to the U.S. Navy and the offshore oil and gas industry. The Chinese Government identified that acquiring this technology was key to becoming a marine power. In Houston, Shan Shi and others established a front company, CBM International and stole a large amount of proprietary information from a U.S. industry leader in syntactic foam research and manufacturing, allowing CBM to bypass years of time-consuming and expensive research and development to make its own syntactic foam. During an undercover operation on May 23, 2017, Shi and four others were arrested for conspiracy to steal trade secret information. On July 29, 2019, Shi was found guilty following a jury trial in Washington, D.C. The remaining four defendants had previously pled guilty for their roles in the conspiracy.

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