

## AIT confirms US role in major spy investigation

Written by Taipei Times

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The American Institute in Taiwan (AIT) yesterday confirmed to the Taipei Times that US authorities are assisting Taiwan with an investigation into the activities of General Lo Hsien-che (洛建和), who was arrested last month on suspicion of spying for China.

Lo's espionage activity, described as possibly the worst spy case to hit Taiwan in the past half century, is believed to have begun in 2004 when he was recruited by Chinese intelligence while he was posted in Thailand. News of the arrest sparked fears that Taiwan's military might have been severely compromised, especially its command, control, communications, computers, intelligence, surveillance and reconnaissance (C4ISR) systems, to which Lo is believed to have had access.

As the great majority of defense platforms used by Taiwan's military are acquired from the US, there has also been speculation that the developments could have negative repercussions on US-Taiwan military relations at a time when US President Barack Obama's administration already appears reluctant to release additional arms packages to Taipei.

One possible casualty, some analysts claim, could be the politically sensitive sale of F-16C/D aircraft to Taiwan.

Following announcements by the military that a probe into Lo's actions has been launched, AIT spokesperson Sheila Paskman told the Taipei Times by telephone that US authorities were assisting with the investigation, without specifying the level of assistance or which agency was involved.

Asked to confirm US involvement in the investigation, the Ministry of National Defense said it had no comment on the case, citing investigation confidentiality. However, it said that if there were concrete developments in the investigation, the ministry would offer a public explanation at the appropriate time.

According to reports, Washington informed Taipei of Lo's activities after US intelligence officials operating in Asia intercepted communications between him and his Chinese handlers.

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Despite Lo's access to classified defense material, a preliminary damage assessment shared with the Taipei Times indicates that the information Lo might have passed to Chinese intelligence was not highly sensitive or overwhelmingly damaging to Taiwan's security.

Asked to comment on the possible impact of the Lo case on the US-Taiwan security relationship, Rupert Hammond-Chambers, president of the US-Taiwan Business Council, which is closely involved in arms sales to Taiwan, said the ramifications would likely be minimal.

"The US has a global exports control policy," he said, with the risks inherent to technological transfers always factored in on decisions whether to sell arms to a country or not.

"Leaks [like the Lo case] don't typically impact important security relations" such as that between Taiwan and the US, he said.

Although the scope and impact of Lo's espionage activity has yet to be fully established, Hammond-Chambers said he believed that, in the worst case scenario, the incident would add further delays to defense cooperation projects while the authorities conduct a damage assessment.

However, Wendell Minnick, Asia bureau chief at Defense News, said the arrest was further evidence Taiwan's communications networks would suffer "catastrophic failure" during a war with China.

The main focus of Chinese espionage against Taiwan's military, Minnick said, has been the Po Sheng ("Broad Victory") program, an umbrella project to modernize Taiwan's C4ISR capabilities.

"No more evidence is needed than the arrests over the past several years of other spies working for China, including two senior US Pentagon officials, Gregg Bergersen and James

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Fondren,” he said.

Bergersen, director of the Pentagon’s C4ISR efforts at the Defense Security Cooperation Agency, was the Pentagon’s top official on Po Sheng efforts. Chinese intelligence recruited him via Kuo Tai-shen (郭泰生), a Taiwanese spy who was also working on Po Sheng.

Fondren was also recruited by Kuo and provided information to China on a variety of defense programs. All three are now in a US federal prison.

Source: [Taipei Times - 2011/02/18](#)