

China bugs and burglars Britain

31/01/2010 06:28 by admin

From The Sunday Times January 31, 2010

David Leppard

THE security service MI5 has accused China of bugging and burgling UK business executives and setting up "honeytraps" in a bid to blackmail them into betraying sensitive commercial secrets.

A leaked MI5 document says that undercover intelligence officers from the People's Liberation Army and the Ministry of Public Security have also approached UK businessmen at trade fairs and exhibitions with the offer of "gifts" and "lavish hospitality".

The gifts — cameras and memory sticks — have been found to contain electronic Trojan bugs which provide the Chinese with remote access to users' computers.

MI5 says the Chinese government "represents one of the most significant espionage threats to the UK" because of its use of these methods, as well as widespread electronic hacking.

Written by MI5's Centre for the Protection of National Infrastructure, the 14-page "restricted" report describes how China has attacked UK defence, energy, communications and manufacturing companies in a concerted hacking campaign.

It claims China has also gone much further, targeting the computer networks and email accounts of public relations companies and international law firms. "Any UK company might be at risk if it holds information which would benefit the Chinese," the report says.

The explicit nature of the MI5 warning is likely to strain diplomatic ties between London and Beijing. Relations between the two countries were damaged last month after China's decision to execute a mentally ill British man for alleged drug trafficking.

Earlier this month the United States demanded that China investigate a sophisticated hacking attack on Google and a further 30 American companies from Chinese soil.

China has occasionally attempted sexual entrapment to target senior British political figures. Two years ago an aide to Gordon Brown had his BlackBerry phone stolen after being picked up by a Chinese woman who had approached him in a Shanghai hotel disco.

The report says the practice has now extended to commercial espionage. It says Chinese agents are trying to cultivate "long-term relationships" with the employees of key British companies: "An undercover intelligence officer may try to develop a friendship or business relationship, often using lavish hospitality and flattery.

"Chinese intelligence services have also been known to exploit vulnerabilities such as sexual relationships and illegal activities to pressurise individuals to co-operate with them."

The warning to British businessmen adds: "Hotel rooms in major Chinese cities, such as Beijing and Shanghai, which are frequented by foreigners, are likely to be bugged ... hotel rooms have been searched while the occupants are out of the room."

Rallying For Democracy

<http://www.rallyingfordemocracy.org>

It warns that British executives are being targeted in China and in other countries. "During conferences or visits to Chinese companies you may be given gifts such as USB devices or cameras. There have been cases where these gifts have contained Trojan devices and other types of malware."

China has repeatedly denied spying on Britain and the West. Its London embassy did not comment.

In 2007 Jonathan Evans, the director-general of MI5, had written privately to 300 chief executives of banks and other businesses warning them that their IT systems were under attack from "Chinese state organisations".

There have been unconfirmed reports that China has tried to hack into computers belonging to the Foreign Office, nine other Whitehall departments and parliament.

Last year a report by Whitehall's joint intelligence committee said China may be capable of shutting down critical services such as power, food and water supplies. But the latest document is the most comprehensive and explicit warning to be issued by the UK authorities on the new threat. Entitled The Threat from Chinese Espionage, it was circulated to hundreds of City and business leaders last year.

The growing threat from China has led Evans to complain that his agency is being forced to divert manpower and resources away from the fight against Al-Qaeda. His lobbying helped to prompt the Cabinet Office to set up the Office of Cyber Security, which will be launched in March.