

tribute to its preservation effort and to the Colorado Historical Fund."

I am proud of our state's record of support for historic preservation, and particularly proud to represent Central City, one of the award winners.

For the information of our colleagues, here is the full story from the Denver Post:

COLORADO WINS FOUR PRESERVATION AWARDS—HONORS RECOGNIZE STATEWIDE EFFORTS ON HISTORIC SITES

(By J. Sebastian Sinisi)

Colorado gained a national preservation spotlight at this week's National Trust for Historic Preservation conference in downtown Denver when four state sites received 2003 preservation awards.

The 1886 Beaumont Hotel in Ouray, the 1878 Central City Opera House and historic district, the 1905 Kit Carson Carousel in Stratton and the 13th-century Ute Indian Porcupine House at the Ute Mountain Tribal Park in Towaoc were the recipients.

"These awards are very carefully considered," said Washington, D.C.-based National Trust president Richard Moe, who noted that more than 100 sites were nominated this year.

"That Colorado was voted a total of four awards is a real tribute to its preservation effort and to the Colorado Historical Fund," he said.

No other state has garnered four awards in the same year in the 25-year history of the preservation awards, said National Trust senior vice president Peter Brink before an awards ceremony Thursday evening.

Since 1993, the Colorado Historical Fund has distributed nearly \$130 million in gambling tax revenues to 2,400 preservation projects throughout the state.

One of Colorado's National Trust preservation awards lauded a \$4 million restoration of the Beaumont Hotel—neglected and vandalized for 31 years—on Main Street in Ouray. The renovation includes two restaurants and six commercial spaces.

The award for that project was shared by owners Dan and Mary King, High Peak Resources Inc. and the Andrews and Anderson Architects firm.

A total of 21 awards nationwide were presented at the ceremony at the 1929 Paramount Theatre.

Other Colorado awards went to the stabilized and restored Porcupine House, one of hundreds of endangered Anasazi-era ruins and dwellings inhabited roughly from A.D. 700 until the Indians mysteriously left about 1350.

In Stratton, the nearly 100-year-old carousel was restored to its original grandeur after a \$2.5 million and 25-year effort in a county with less than 8,000 residents.

The Trustee Emeritus Award for excellence in the stewardship of historic sites went to the Central City Opera House Association.

Launched in 1929 to preserve the miner-built edifice that had fallen into disrepair, the association started opera productions in 1932. In subsequent years, the association bought and restored 30 buildings, including the four-story Teller House hotel, as part of the Central City National Landmark District.

The Teller's "face on the barroom floor," painted in 1936, is one of the state's more popular tourist attractions.

Through funding distributed by the Colorado Historical Fund, "Colorado has been a model state not only in the West, but nationwide, for bringing together public and private preservation efforts," said Moe.

CHINA'S SPYING

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, October 8, 2003

Mr. WOLF. Mr. Speaker, over the last two weeks I have submitted testimony from various groups that I have been meeting with regarding China's continual abuse of human rights. Whether it be restrictions on religious freedom; the persecution and arrest of Catholics and Protestants; the use of barbaric labor camps; the continual victimization of members of the Falun Gong; or the abhorrent and coercive One-Child policy, China's government continues to show nothing but contempt for its citizens and the opinions of the rest of the world.

These offenses alone should be enough to condemn the government of China. However, on top of these crimes the People's Republic of China poses a great and serious counterintelligence threat to America, the extent of which will, I have no doubt, concern our colleagues greatly.

AN UNCLASSIFIED REPORT FROM THE FBI ON THE PEOPLE'S REPUBLIC OF CHINA INTELLIGENCE COLLECTION EFFORTS

The People's Republic of China (PRC) poses a significant counterintelligence threat to the United States (U.S.) via its cadre of professional intelligence officers who collect political, military and economic intelligence, and its network of non-professional individuals and organizations that collect science and technology, high-tech and proprietary information completely outside the direction and control of the PRC Intelligence Services.

The PRC's professional military intelligence organization, the Military Intelligence Department of the People's Liberation Army (MID/PLA), also known as the Second Department of the PLA (2PLA), relies mainly on intelligence collection through its military attaches. The PRC's military seeks military, science and technology, and some political information through its contacts and agents. In 1987, PRC military attache Hou Desheng was indicted by FBI Special Agents in Washington, D.C. while receiving and paying for classified U.S. Government information.

The PRC's professional civilian intelligence, the Ministry of State Security, targets U.S. political and policy information, runs influence operations against Taiwan and other political targets, attempts to penetrate the U.S. Government, and directs a growing number of covert science and technology collection operations. Collection operations from this civilian segment of the PRC Intelligence Services are difficult to counter because the Chinese typically insist that the physical transfer of documents or items take place in the PRC. PRC civilian intelligence officers in the U.S. direct part of their efforts toward developing as many Americans of Chinese ancestry into what the PRC terms "patriotic Overseas Chinese."

An example of the Ministry of State Security's success in penetrating the U.S. Government was the Larry Wu-tai Chin case. Chin, a U.S. Government employee of 30 years, was an actual agent of the Ministry of State Security. While residing in the U.S. and during his employment with the government, Chin provided information to the Ministry of State Security for over 40 years. Chin was arrested for espionage activities in

1985 and was subsequently convicted of those charges in 1986. Chin committed suicide prior to being sentenced.

Like most countries operating intelligence services within the U.S., the PRC employs a number of commonly-used collection techniques. Their intelligence services attempt to gain access to sensitive foreign facilities, try to meet individuals with access to classified information, and attempt to photograph military installations and equipment. However, the PRC employs several non-traditional methods and unlike most other countries, the PRC makes extensive use of non-intelligence personnel.

Consumers of intelligence such as China's production facilities, laboratories and research institutes often bypass professional intelligence services in favor of direct intelligence collection efforts. Opportunities to accomplish direct collection within the U.S. are facilitated through the very large number of temporary visitors in private companies, academic institutions, and U.S. Government facilities. A significant number of these delegation members are science and technology experts, often characterized by their American hosts as aggressive and extremely knowledgeable in their professional fields. In many cases, Chinese-Americans employed by these entities and institutions are sought out by members of the PRC delegations as persons who might be willing to assist them.

In 1997, Peter Lee pleaded guilty to transmitting U.S. national defense information to the PRC. The consumer of Lee's information was a PRC institute, not a traditional PRC intelligence service. In 2002, a PRC national was arrested for attempting to steal proprietary seismic-imaging software from a Silicon Valley company. This was the second unsuccessful attempt by an employee of a PRC based company to obtain this proprietary software within a span of five years. Later in 2002, two PRC nationals were indicted for economic espionage related to their attempted theft of trade secrets from several Silicon Valley companies. These two individuals were subsequently linked to a PRC based high-technology research and development program.

As the PRC's varied presence in the U.S. continues to grow, more PRC nationals find themselves in positions of direct or indirect access to items of intelligence interest to China. If they can find the right consumer, PRC nationals involved in intelligence collection may be in a position to profit from their services. These individuals do not operate under the direction or control of either the military or civilian PRC intelligence services.

In 1994, two PRC nationals were indicted on computer fraud and fraud by wire in connection with the theft of \$950,000 of proprietary computer source code developed by a U.S. firm. The end-user of the code was a Chinese machinery import and export company. Evidence collected in the investigation indicated that the two perpetrators had shopped the computer source code around for the best price.

Whether directed by one of its intelligence services, manufacturing sectors or research institutes, the PRC threat to U.S. policy, intelligence, military, national security and proprietary/economic information is growing. In response to this expanding PRC threat, the FBI, in conjunction with the U.S. Intelligence Community, continues to pursue an aggressive and focused counterintelligence program.