

THE STATE DEPARTMENT'S HANDLING OF
ALLEGATIONS OF VISA FRAUD AND OTHER
IRREGULARITIES AT THE UNITED STATES
EMBASSY IN BEIJING

HEARING
BEFORE THE
COMMITTEE ON
GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES

ONE HUNDRED SIXTH CONGRESS

FIRST SESSION

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CONTENTS

Hearing held on July 29, 1999	Page 1
Statement of:	
Bergin, Peter, Acting Assistant Secretary and Director of Diplomatic Security; Jacquelyn L. Williams-Bridgers, Inspector General; Bonnie R. Cohen, Under Secretary for Management, accompanied by Edward W. Gnehm, Director General of the Foreign Service; Mary A. Ryan, Assistant Secretary for Consular Affairs, U.S. Department of State; and Don Schurman, Regional Security Officer	26
Letters, statements, etc., submitted for the record by:	
Bergin, Peter, Acting Assistant Secretary and Director of Diplomatic Security, prepared statement of	29
Burton, Hon. Dan, a Representative in Congress from the State of Indiana:	
American Foreign Service Association statement	3
Letter from Mr. Chen	23
Majority reports and exhibits	93
Prepared statement of	13
Cohen, Bonnie R., Under Secretary for Management:	
Information concerning alleged consular malfeasance	71
Prepared statement of	51
Waxman, Hon. Henry A., a Representative in Congress from the State of California, prepared statement of counsel to Mr. Parish	75
Williams-Bridgers, Jacquelyn L., Inspector General, prepared statement of	33

THE STATE DEPARTMENT'S HANDLING OF ALLEGATIONS OF VISA FRAUD AND OTHER IRREGULARITIES AT THE UNITED STATES EMBASSY IN BEIJING

THURSDAY, JULY 29, 1999

HOUSE OF REPRESENTATIVES,
COMMITTEE ON GOVERNMENT REFORM,
Washington, DC.

The committee met, pursuant to notice, at 10:30 a.m., in room 2154, Rayburn House Office Building, Hon. Dan Burton (chairman of the committee) presiding.

Present: Representatives Burton, Morella, Shays, McHugh, Horn, Mica, McIntosh, Scarborough, Barr, Miller, Hutchinson, Terry, Biggert, Ose, Vitter, Waxman, Maloney, Kucinich, and Schakowsky.

Staff present: Kevin Binger, staff director; Barbara Comstock, chief counsel; James Wilson, chief investigative counsel; David Kass, deputy counsel and parliamentarian; Kristi Remington, senior counsel; Kevin Davis, senior investigator; Marc Chretien, senior investigative counsel; Mark Corallo, director of communications; John Williams, deputy communications director; Corinne Zaccagnini, systems administrator; Robin Butler, office manager; Michelle White, counsel; Carla J. Martin, chief clerk; Lisa Smith-Arafune, deputy chief clerk; Phil Schiliro, minority staff director; Phil Barnett, minority chief counsel; Kenneth Ballen, minority chief investigative counsel; Michael Raphael and Michael Yeager, minority counsels; Ellen Rayner, minority chief clerk; and Jean Gosa, minority staff assistant.

Mr. BURTON. The committee will be in order. We have some motions we have to go through before I make my opening statement here.

A quorum being present, the Committee on Government Reform will come to order, and before the distinguished ranking member and I deliver our opening statements, the committee must first dispose of some procedural issues.

I would first like to take a moment to welcome the newest member of our committee, David Vitter from New Orleans.

David, welcome. Glad to have you with us. I know that my colleagues on both sides of the aisle are really glad to have you on the committee, and we look forward to working with you.

I move that the Subcommittee on Criminal Justice, Drug Policy, and Human Resources be expanded from 16 members to 18 mem-

bers with 10 members from the majority and 8 members from the minority party. All in favor of the motion will signify by saying aye.

Those opposed will signify by saying no.

In the opinion of the Chair, the ayes have it and the motion is agreed to.

I also move that Mr. Vitter of Louisiana be appointed to the majority vacancies on the Criminal Justice, Drug Policy, and Human Resources Subcommittee and the National Economic Growth, Natural Resources, and Regulatory Affairs Subcommittee. All in favor of the motion will indicate by saying aye.

All opposed will signify by saying no.

In the opinion of the Chair, the ayes have it and the motion is agreed to.

I ask unanimous consent that all Members' and witnesses' written opening statements be included in the record, and without objection, so ordered.

I ask unanimous consent that all articles, exhibits, and extraneous or tabular material referred to, be included in the record, and without objection, so ordered.

I ask unanimous consent that one staff report and compilation of exhibits regarding this hearing be included in the record.

[NOTE.—The majority report and exhibits referred to may be found at the end of the hearing.]

Mr. WAXMAN. If I may inquire, Mr. Chair, I think our staffs were in consultation about holding back one of the staff reports until later.

I withdraw my reservation.

Mr. BURTON. Without objection, so ordered.

I also ask unanimous consent that a statement from the American Foreign Service Association be included in the record, and without objection, so ordered.

[The information referred to follows:]



AMERICAN FOREIGN SERVICE ASSOCIATION



2101 E STREET, NW • WASHINGTON, DC 20037 • (202) 338-4045 • FAX: (202) 338-8244 • www.afsa.org

**STATEMENT OF MR. JOHN NALAND, ACTING PRESIDENT,
AMERICAN FOREIGN SERVICE ASSOCIATION
TO THE HOUSE COMMITTEE ON GOVERNMENT REFORM**

July 29, 1999

Mr. Chairman, members of the Committee:

Thank you for this opportunity to testify about the Foreign Service discipline system. Ever since Congress established the modern U.S. Foreign Service 75 years ago, the American Foreign Service Association (AFSA) has been the voice of the professionals who devote their careers to advancing America's vital interests around the world. For the last 25 of those years, AFSA has also been a federal labor union. We now represent the 10,000 active duty Foreign Service Officers and Specialists in five federal agencies, as well as some 13,000 Foreign Service retirees.

Mr. Chairman, let me say at the outset that we deplore the rare instances of misconduct which occur in our ranks. We deplore them because we believe Americans are entitled to the highest standards of personal conduct in their diplomatic corps. Just as importantly, we deplore them because these isolated incidents besmirch the reputation of the overwhelming majority of Foreign Service people who conduct themselves with absolute integrity under difficult and often dangerous circumstances.

We believe that when incidents of corruption are alleged, the foreign affairs agencies should investigate them promptly and thoroughly. This is particularly crucial in the rare cases involving potentially criminal activity, where investigators must collect evidence sufficient to

win a conviction. If they collect sufficient evidence of misconduct, the Department of Justice should vigorously prosecute. It is critical not only to punish misconduct, but also to deter others who might be tempted.

STRENGTHENING THE DISCIPLINE SYSTEM

Mr. Chairman, last year AFSA embarked on a project to strengthen the Foreign Service discipline system in the State Department, where about three-fourths of the Foreign Service works. We consulted with law enforcement officials, federal prosecutors, private defense attorneys, current and former federal Inspectors General, Foreign Service employees, and Congressional staff members. Our goal was to promote a system in which (1) any warranted punishment is swift, certain, and proportional and (2) employees enjoy the same due process rights as their fellow American citizens.

On this second point, let me emphasize that as an active duty Foreign Service Officer myself, I have lived in countries which do not provide their citizens with legal protections which we enjoy in America. I can attest personally to how important those protections are to a just society.

Our study found that the Office of the Inspector General (OIG) and the Diplomatic Security Service (DS) refer an average of 46 Foreign Service cases each year for disciplinary action to the State Department. I would note that very few cases -- only seven in the past five years -- involve allegations of visa fraud or malfeasance. Almost all of our diplomats serve for decades with unblemished records, and have no contact with the discipline system.

Indeed, we found great support among Foreign Service members for ensuring that the discipline system operates swiftly. They believe, as does AFSA, that unpunished misconduct

damages morale and undermines our profession. Moreover, most employees are eager to resolve questions about their conduct. Until an investigation is closed or a discipline case resolved, a Foreign Service employee's tenuring, promotion and, in some cases, assignment is put on hold.

SPEEDING UP THE DISCIPLINE SYSTEM: APPEALS PROCEDURES

In reviewing the record, AFSA concluded that lengthy delays occur in the investigative process. Once the report of investigation is issued its report and the Department proposes discipline, most employees respond quickly.

In July 1998, AFSA made a number of recommendations to State Department management to make the time frames for investigating and resolving Foreign Service discipline cases tighter. Significantly, we proposed shortening the discipline process by cutting out one level of the two-step appeal process. In making that recommendation, AFSA became one of the only unions in the country that was actually trying to reduce the avenues of appeal available to our members. But since so few of us have any contact with the discipline system, it is not surprising that Foreign Service Officers and Specialists support such efforts to secure swift justice.

AFSA's proposal was accepted by State Department management and we concluded a Memorandum of Understanding dated June 15, 1999 instituting this new streamlined processing procedure in a one year Pilot Program.

NEED FOR QUICKER INVESTIGATIONS

In looking for ways to speed up the process, we also concluded that the State Department IG needs to improve their investigative process. Investigations take too long, quite often more

than 18 months. This is particularly true in administrative cases, where criminal misconduct is not an issue. In January 1998, the IG issued a report that charged lengthy delays in the State Department's handling of Foreign Service discipline cases. The IG auditors apparently did not look at the IG's own investigations staff.

To speed up the process, we proposed that the IG either complete administrative (non-criminal) investigations within 12 months, or else report to the Secretary of State on what steps were underway to finish the inquiry. The purpose was to establish some administrative accountability in the system. The IG disagreed with this recommendation, but she told us that she has instructed the investigations staff to make tangible progress in this area. We would welcome such progress.

REMOVING INCENTIVES

We also supported legislative action to reform the appeals procedures. In the Senate version of this year's Foreign Relations Authorization Act for Fiscal Years 2000 and 2001, S. 886, AFSA supported a provision stating that the Secretary can stop paying a Foreign Service employee being fired for misconduct while the individual pursues an appeal. Of course, if the cause for separation is not established, then the individual is entitled to be made whole subsequently. It is extremely uncommon for misconduct to rise to the level where a person is fired – certainly less than one case per year. When it does happen, we believe the Department should not have to retain the employee in a paid status pending the outcome of the appeal. This is demoralizing for other employees and casts the Foreign Service in an unfavorable light.

CONCLUSION

Mr. Chairman, AFSA firmly believes that, in the rare cases where misconduct is alleged, thorough but swift investigations are essential. It is only fair to the individual under investigation, and essential to the morale of the Service. Finally, when misconduct is proven, we insist on appropriate disciplinary action, including, when necessary, expulsion from the Service and criminal prosecution. Only by taking a hard line against the corrupt few can we maintain the high standards for personal integrity, which have characterized America's diplomats for the past seventy-five years.

Thank you.

Mr. BURTON. And finally, I ask unanimous consent that questioning in the matter under consideration proceed under clause 2(g)(2) of House rule 11 and committee rule 14, in which the chairman and ranking minority member allocate time to committee counsel or members as they deem appropriate for extended questioning, not to exceed 60 minutes, divided equally between the majority and minority; and without objection, so ordered.

As I said earlier, I have been involved in a number of congressional hearings and investigations over the years. I have learned a few things along the way. One thing I have learned is that sometimes you begin investigating one problem, and in the process, you uncover other problems you weren't even aware of. By exposing the problem, shining the light of day on it, hopefully you begin the process of fixing it.

That's what happened under my predecessor Bill Clinger. We began investigating the firing of seven Travel Office employees. In the process, we discovered that the Clinton White House had obtained over 900 confidential FBI files of Republicans who no longer worked there.

It happened again during our investigation into illegal foreign fundraising. When Johnny Chung appeared here in May, he testified that a general in charge of China's military intelligence agency gave him \$300,000 to donate to the President's campaign. They said they liked the President and they wanted to see him get re-elected. But Mr. Chung also testified about another problem, one we were not expecting, visa fraud. Mr. Chung testified that he saw one of the senior officials at the United States consulate in Beijing, Charles Parish, accept a shopping bag full of cash in exchange for providing visas to Chinese nationals. Now, that's a very disturbing allegation.

Mr. Chung testified that Mr. Parish asked him for \$500 to pay for a computer class for his secretary. Chung said he did it. Chung testified that Mr. Parish asked for \$7,000 to pay for tuition for several Chinese students studying in California. Mr. Chung said he did that, as well. This happened at a time when Mr. Parish was approving 25 to 30 visas for Chung's business associates.

My staff called Johnny Chung this week to ask him for more information about this. He told us that he was riding in a car with Mr. Parish in Beijing. He said that Mr. Parish didn't really ask for the money; he demanded it. Chung said that the tone in Mr. Parish's voice sent a very clear message, "I want you to do it, you have to do it." Chung said that Mr. Parish was so insistent that Chung called his wife on the cell phone in the car and told her to go to the bank right away and get a cashier's check and take it to the school.

Mr. Chung says he provided his copy of this check to the Justice Department. We have asked the Justice Department to provide this documentation to us. We asked Janet Reno and the Justice Department almost 2 months ago. We are still waiting. Once again, we are getting no cooperation from the Justice Department and Attorney General Reno.

Mr. Parish is here today, and we are going to ask him about all of these issues.

A U.S. visa is a very difficult thing to get. People line up for blocks outside U.S. Embassies all over the world. They wait all day to ask for a visa, some all night. Most of them get turned down.

It has been estimated that the street value of a visa in some countries is worth as much as \$20,000.

If a Foreign Service Officer is taking advantage of his position by accepting bribes or illegal gratuities in exchange for visas, that is a very serious problem, a crime. So we started looking into it.

What we found out was that Johnny Chung wasn't the only one making allegations about Mr. Parish. Employees at the consulate had been filing complaints about him for over a year and a half. American citizens complained to senior Embassy officials. Articles started to appear about him in the Chinese press, in the Chinese papers. We have a copy of a State Department cable. It says that a Chinese Government official approached an Embassy staffer at a reception. The Chinese official told him that he was amazed at how many unqualified Chinese were getting visas. He said it was common knowledge that if you took the right Embassy official to dinner and bought him a gift, you were guaranteed to get a visa. It seems like the only ones who weren't asleep at the switch were the Chinese.

So what happened with Mr. Parish? Was he fired? No. Was he prosecuted? No. Was he disciplined in any way? No. He was transferred back to Washington. He was given other sensitive assignments. Instead of getting fired, he got a raise. In fact, he got four raises.

We took a hard look at the State Department's investigation of Mr. Parish. What we found was very disappointing. Three separate offices conducted investigations of Mr. Parish, and all three dropped the ball. Documents were destroyed without being reviewed. Witnesses were not even interviewed. Bank records were not subpoenaed. We found allegations of serious wrongdoing that weren't even checked out in a cursory way.

The result was that a Foreign Service Officer who had been accused of serious wrongdoing got shifted from one job to another without any action taken against him whatsoever. It looks to me like nobody wanted to deal with this problem. Everyone dropped the ball.

Mr. Parish was put to work reviewing visa applications from Iraq and Iran. In his employee evaluation form—in which he received a glowing rating, by the way—it says that his position, “coordinates with the intelligence and law enforcement communities in the handling of the most sensitive visa applications, those from persons suspected of terrorism, espionage, or other serious threats to U.S. national interests.”

When Mr. Parish was placed in this job, was it known that he was under criminal investigation?

Now, if this was just an isolated incident, maybe it would not be such a big deal. One of the reasons I called this hearing today is to try to find out just how widespread the problem is. There are signs that it may not be an isolated incident at all.

I was talking to one of my caseworkers just the other day, and she was trying to help a constituent get a visa for a relative in Romania. They were denied. But I learned that there are rumors

about Embassy officials taking bribes in Romania. I have no idea if they are true or not. But these are things we need to look into because we have that oversight responsibility.

I was reading an article in the Los Angeles Times. They have done an excellent job reporting on this issue. I want to read a couple of quotes from the article. "Of a dozen cases known to the Times, a majority of diplomats, suspected of wrongdoing in issuing of visas, retired or were moved to another post. Cases that were opened took years to develop and usually ended up being dropped."

"Those suspected of issuing visas in exchange for money, gifts or sexual favors often are allowed to retire or move to another post rather than face extensive investigation or prosecution." The Times article cited cases of fraud that happened in Asia, Africa, South America, all over the world.

I wanted to say something as a matter of fairness. People who work in U.S. consulates have a tough, tough job. They face tremendous pressure. They face lines of hundreds, even thousands, of people who want visas every day, and they have to make snap decisions. I think that most of our consular officers are honest and hardworking, and do their jobs under very difficult circumstances, but it is fairly obvious that there is a very small minority that are willing to take advantage of this situation.

I have a statement from the acting president of the American Foreign Service Association. They represent all of the Foreign Service Officers. I would like to submit this statement for the record. He says, "We deplore them, corrupt diplomats, because these isolated incidents besmirch the reputation of the overwhelming majority of Foreign Service people who conduct themselves with absolute integrity."

If the State Department doesn't have the resources or the will to punish corrupt officials, then these problems are only going to get worse. The consequences are serious. We have a serious illegal immigration problem. We have a problem with international terrorism. We have a problem with international drug trafficking. If Embassy officials can be tempted or bribed, these people that I just mentioned are going to take advantage of the situation.

Mr. Parish is here today. I issued a subpoena for him to be here. I know he doesn't want to be here. I am sorry to put him in this situation, but nobody else has seen fit to ask him about these allegations under oath, so we are going to do it today. I have also asked several people from the State Department to appear and answer questions about their investigations of Mr. Parish. We are going to ask them some tough questions about whether an adequate job was done. Looking at the record, I think it would be pretty hard for an objective person to say yes to that question.

I want to say one thing in their defense before we get started. We have had a difficult time with the State Department in the past. We have had senior officials refuse to testify. My colleague, Mr. Gilman, at the International Relations Committee, has had similar problems. I have had to issue subpoenas just to get witnesses for hearings. That should never have to happen, and it hasn't happened this time.

I doubt if our witnesses really want to be here today. Nobody likes having their work questioned. But they have come, they have

agreed to testify and answer the committee's questions without a subpoena, and I appreciate that. Under Secretary Cohen has agreed to testify. I understand that she has been traveling recently, and I appreciate that she is here today. I hope that she will be able to shed some light on how widespread the problem is. I also hope that she will be able to inform us about what, if anything, is being done to improve the State Department's efforts to investigate these cases. We have had pretty good cooperation from the State Department this week, and as I said, I compliment them for that.

I wish I could say the same thing for the Justice Department. I am absolutely furious about what happened yesterday as we were preparing for this hearing. The Inspector General is here today. Her office worked with the Justice Department to investigate the Parish matter. She got a call from the Justice Department yesterday. They told her that she couldn't testify about the work her office has done because it is covered by grand jury secrecy laws.

I have it on pretty good authority that the Justice Department has a plan to close this case, but is keeping it open, I believe, to keep us from having the Inspector General testify; and I believe I know of a number of other cases where the Justice Department is deliberately keeping cases open so this committee cannot have access to witnesses. I say to my colleagues that I think this goes beyond being unconscionable. It is an obstruction of justice. If the Justice Department plans to close a case, and they keep it open only for the purpose of keeping Congress from doing its investigations, then that is almost criminal.

This is absolutely the most ridiculous thing I have ever heard. It is typical of the kind of stonewalling that Janet Reno's Justice Department has engaged in. For 2 years, they have hidden behind the so-called 6(e) rule. They won't share any information with Congress. They won't let us immunize witnesses. They won't let us interview Charlie Trie or John Huang, and now they want to say that other agencies can't share information with us. Janet Reno is doing a disservice to the Congress, and she is doing a disservice to the American people who are represented by the Congress of the United States.

I would like to make two final points before I yield to my colleague, Mr. Waxman.

First, for most people from other countries, the first place they come into contact with anyone from the United States is at one of our Embassies. If they are confronted by corruption at the Embassy, think about the message that sends about our entire country. Think about how that reflects on all of the dedicated Foreign Service Officers who are following the rules and doing their jobs well. That is why I think this is a very important issue.

Second, this particular case is important because of where it happened. Mr. Parish wasn't working in Canada or France or Israel. He was working in China. China has been conducting very aggressive espionage at some of our nuclear facilities. They have stolen nuclear weapons secrets from us, thus endangering every man, woman, and child, at some point in the future. China has illegally funneled millions of dollars into the United States to try to influence our elections. China has been exporting nuclear technology and missile technology to rogue nations.

The United States Embassy in Beijing is one of our most sensitive posts. If allegations of corruption weren't being followed up in Beijing, I don't have a lot of confidence that they are being pursued more diligently elsewhere. I hope that our witnesses today can persuade us otherwise.

I now yield to my colleague from California, Mr. Waxman, for his opening statement.

[The prepared statement of Hon. Dan Burton follows:]

**Opening Statement
Chairman Dan Burton
Committee on Government Reform
July 29, 1999**

I've been involved in a number of Congressional investigations over the years. I've learned a few things along the way. One thing I've learned is that sometimes you begin investigating one problem, and in the process, you uncover other problems you weren't even aware of. By exposing the problem, and shining the light of day on it, hopefully you begin the process of fixing it.

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- Employees at the consulate had been filing complaints about him for a year and a half.
- American citizens complained to senior embassy officials.
- Articles started to appear about him in the Chinese press.
- We have a copy of a State Department cable. It says that a Chinese government official approached an Embassy staffer at a reception. The Chinese official told him that he was amazed at how many unqualified Chinese were getting visas. He said it was common knowledge that if you took the right Embassy official to dinner, and brought him a gift, you were guaranteed to get a visa. It seems like the only ones who weren't asleep at the switch were the Chinese.

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- Documents were destroyed without being reviewed.

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"We deplore them (corrupt diplomats) because these isolated incidents besmirch the reputation of the overwhelming majority of Foreign Service people who conduct themselves with absolute integrity."

If the State Department doesn't have the resources or the will to punish corrupt officials, then these problems are only going to get worse. The consequences are serious:

- We have a serious illegal immigration problem.
- We have a problem with international terrorism.
- We have a problem with international drug trafficking.

If Embassy officials can be tempted or bribed, these people are going to take advantage of the situation.

Mr. Parish is here today. I've issued a subpoena for him to be here. I know he doesn't want to be here. I'm sorry to put him in this situation. But nobody else has seen fit to ask him about these allegations under oath, so we're going to do it today.

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- Witnesses weren't interviewed.
- Bank records weren't subpoenaed.
- We found allegations of serious wrongdoing that weren't even checked out in a cursory way.

The result was that a foreign service officer who had been accused of serious wrongdoing got shifted from one job to another without any action taken against him whatsoever. It looks to me like nobody wanted to deal with this problem. Everyone dropped the ball.

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I was reading an article in the Los Angeles Times. They've done some excellent reporting on this issue. I want to read a couple of quotes from this article:

"Of a dozen cases known to The Times, a majority of diplomats suspected of wrongdoing in issuing of visas retired or were moved to another post. Cases that were opened took years to develop and usually ended up being dropped."

"Those suspected of issuing visas in exchange for money, gifts or sexual favors often are allowed to retire or move to another post rather than face extensive investigation or prosecution."

The Times article cited cases of fraud that happened in Asia, Africa, South America -- all over the world.

I want to say something as a matter of fairness. People who work in U.S. consulates have a tough, tough job. They face tremendous pressure. They face lines of hundreds, even thousands of people who want visas every day. They have to make snap decisions.

anything, is being done to improve the State Department's efforts to investigate these cases.

We've had pretty good cooperation from the State Department this week. I compliment them for that.

I wish I could say the same thing for the Justice Department. I'm absolutely furious about what happened yesterday as we were preparing for this hearing. The Inspector General is here today. Her office worked with the Justice Department to investigate the Parish matter. She got a call from the Justice Department yesterday. They told her that she couldn't testify about the work her office has done because it's covered by Grand Jury Secrecy laws.

This is absolutely the most ridiculous thing I've ever heard. It's typical of the kind of stonewalling Janet Reno's Justice Department has engaged in. For two years, they've hidden behind the so-called '6-E' rule. They won't share any information with Congress. They won't let us immunize witnesses. They won't let us interview Charlie Trie or John Huang. And now they want to say that other agencies can't share information with us. Janet Reno is doing a disservice to the Congress, and she is doing a disservice to the American people.

I'd like to make two final points before I yield to my colleague, Mr. Waxman.

First, for most people from other countries, the first place they come into contact with anyone from the United States is at our Embassy. If they are confronted by corruption at our Embassy, think about the message that that sends about our entire country. Think about how that reflects on all of the dedicated foreign service officers who are following the rules. That's why I think this is a very important issue.

Second, this particular case is important because of where it happened. Mr. Parish wasn't working in Canada, or France, or Israel. He was working in China. China has been conducting very aggressive espionage against our nuclear facilities. They have stolen nuclear weapons secrets from us. China has illegally funneled millions of dollars into the U.S. to try to influence our elections. China has been exporting nuclear technology and missile technology to rogue nations. The U.S. Embassy in Beijing is one of our most sensitive posts. If allegations of corruption weren't being followed up in Beijing, I don't have a lot of confidence that they're being pursued more diligently elsewhere.

I hope that our witnesses today can persuade us otherwise.

I now yield to Mr. Waxman for his opening statement.

Mr. WAXMAN. We are here today to look into the State Department's response to allegations that one of its Foreign Service Officers, Charles Parish, may have accepted gifts from visa applicants and their sponsors while he was posted in China, may have committed visa fraud or other crimes, and may have violated the State Department's code of ethical standards.

These are serious allegations against Mr. Parish. They have appropriately been the subject of investigations by the State Department's Diplomatic Security Service, the State Department's Office of Inspector General, and the FBI. It appears that all these investigations determined that there is insufficient evidence to bring charges against Mr. Parish, and now our committee is investigating Mr. Parish.

This is not a situation where allegations of serious wrongdoing went unnoticed or where political appointees allegedly interfered with the normal processes of government. Apart from a tenuous connection to Johnny Chung, the facts surrounding Mr. Parish appear to have nothing to do with the campaign finance investigation.

It appears that the State Department acted reasonably in the investigation of Mr. Parish. Junior officers raised concerns about his management practices to the second in command of the U.S. Embassy on April 11, 1996. By May 1, the regional security officer had begun an investigation and confronted Mr. Parish with allegations of misconduct. Shortly after that, Mr. Parish asked to curtail his assignment in Beijing. By May 17th, he was out of China and reassigned to Washington while an investigation continued.

That is not to say there weren't some problems with the investigations. Some documents and gifts found in Mr. Parish's office were retained as relevant to the investigation. Other material was discarded. It obviously would have been preferable to retain the material until the investigation was completed.

Mr. Parish was posted to Washington after he curtailed his assignment and may have had continued involvement in visa issues during the investigation of this case. The State Department probably should not have put Mr. Parish in this position until all serious allegations were resolved.

Even though we can point to mistakes in retrospect, it is important to keep the investigation of Mr. Parish in the proper perspective. Everyone involved in the investigation of his case had other responsibilities. Unlike this committee, which can devote unlimited resources to pursuing even the most fruitless inquiries, State Department investigators have to make responsible choices about priorities and how to allocate their scarce time and resources. The evidence indicates that these career officials acted in good faith in determining that there was insufficient evidence to pursue a criminal investigation any further.

Now, I won't take the time of the committee now to go and make a point-by-point correction of a lot of factual inaccuracies in the chairman's statement. I will do so for the record, but let me say that it lacked the judiciousness that we ought to apply when investigating anybody of wrongdoing.

The attack on the Justice Department seems to me to be particularly unwarranted. If the Justice Department were continuing an investigation, they obviously still think there is more for them to

learn; and the chairman thinks there is more yet to learn. So they are being criticized for continuing their investigation. The chairman says they are continuing their investigation but they should close it and then he can continue to investigate it.

Well, that just seems to me contradictory. If they close their investigation, they would be criticized because it should be taken more seriously. If they keep it open, they are criticized because they haven't closed it so that witnesses can come before this committee to give evidence that wouldn't otherwise be permitted.

But the fact of the matter is, whether they opened it or closed it or kept it going, there are some witnesses that are not permitted to come, by court order—not in this case, but generally, to come and comment, especially Inspector Generals, about information that they derive from grand jury testimony. That would just be illegal. So it seems unfair to me to criticize the Justice Department for not allowing an IG to come in and give testimony, violating the law with regard to grand jury testimony.

Well, I am interested in hearing the testimony of the witnesses today. Perhaps we will learn something new and significant about this case or in the way the State Department handles allegations of wrongdoing; I hope so, and I will look forward to seeing whether that would be the case.

I yield back the balance of my time.

Mr. BURTON. The gentleman yields back the balance of his time.

If we have no other Members who wish to speak, Mr. Parish, would you come forward. Would you rise, Mr. Parish, please.

[Witness sworn.]

Mr. BURTON. Mr. Parish, do you have an opening statement?

Mr. PARISH. No, I don't.

Mr. BURTON. I know you are the attorney, and I would like to state for you, because I understand you would like to speak, House rule 11(k)(3) provides that witnesses at investigative hearings may be accompanied by their own counsel for the purpose of advising them concerning their constitutional rights. As Mr. Lantos, one of my predecessors—I guess it was on a subcommittee—told lawyers for Secretary Pierce in the hearings he chaired in 1989, "In essence, gentlemen, at this hearing you are in fact a potted plant." I don't consider you a potted plant, but I do think it is important that you understand that according to the rules you can confer with your client, but you can't make any kind of a statement. So your client will have to speak for himself.

Mr. MARTIN. Mr. Chairman, thank you, and I appreciate that.

Mr. BURTON. Well, you are not a witness, and you are not allowed to make any kind of a statement. You can confer with your client, but your client is going to have to answer the questions or invoke his constitutional rights. I just want you to understand what I just said.

Now, I don't want to press the point, but you are not a witness, and you are not allowed to make any comments. You can confer with your client, but you are not to speak to the committee, OK?

I will now yield to our counsel, who will start the questioning.

Mr. WILSON. Mr. Parish, good morning.

Mr. PARISH. Good morning.

Mr. WILSON. Thank you very much for being here. My name is Jim Wilson. I am the majority counsel for this hearing. Again, thank you very much for being here.

For the record, you are here pursuant to a subpoena that was issued by this committee, correct?

Mr. PARISH. Yes.

Mr. WILSON. Now, you worked at the United States Embassy in Beijing from July 1994 until May 1996; is this correct?

Mr. PARISH. Mr. Chairman, on advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. WILSON. When you were at the Embassy in Beijing, what was your title?

Mr. BARR. Excuse me, Mr. Chairman, could I ask on what basis is that privilege being invoked? Is it because the witness believes that answering the question of whether or not he worked at the Embassy may tend to incriminate him? I think that if the witness is going to claim a privilege, he needs to be specific about the basis on which it is invoked.

Mr. BURTON. The witness can speak for himself on that.

Mr. MARTIN. I gave the chairman the statement—

Mr. BARR. Counsel, you are not a witness here.

Mr. BURTON. I think that the witness will speak for himself regarding that, Mr. Barr.

Go ahead. Proceed.

Mr. WILSON. Mr. Parish, when you were in Beijing at the Embassy, how many bank accounts did you have?

Mr. PARISH. On advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. WILSON. Will you at any time after this hearing provide the committee with any information about your bank accounts in Beijing?

Mr. PARISH. On advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. BURTON. Let me interrupt because I don't want to prolong your appearance here, Mr. Parish. Is it your intention on advice of counsel to assert your fifth amendment privilege on every question the committee puts to you today?

Mr. PARISH. Yes, it is.

Mr. BURTON. Well, I am very disappointed. You are a former public servant of the U.S. Government; and to take the fifth amendment when your salary has been paid by the taxpayers of this country, and there are some allegations about alleged wrongdoing that only you can possibly clarify, it is just very disappointing that you will not talk to the elected Representatives of the U.S. citizenry.

So I am really disappointed, but it is your position that you will not answer any questions and you will assert your fifth amendment privileges?

Mr. PARISH. Yes, it is, Mr. Chairman.

Mr. BARR. Mr. Chairman.

Mr. BURTON. Mr. Barr.

Mr. BARR. If I could again ask the witness if he could enlighten us as to what are you asserting this privilege? Is it because you be-

lieve that answering questions on your service as a former public official will tend to incriminate you?

Mr. PARISH. Mr. Barr, on advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. BARR. So you are refusing to tell this committee even the basis on which you are asserting that privilege; is that correct?

Mr. PARISH. On advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. MARTIN. Counsel did submit that basis to the committee.

Mr. BURTON. Counsel, you need not make any comment. I think based upon the—Mr. Waxman, we have the time, but we will yield to you.

Go ahead. That's all right. Go ahead.

Mr. WAXMAN. The witness is asserting a constitutional right to refuse to testify against himself. That constitutional right applies even if he is a government employee, because he is a citizen of the United States. I am disappointed. I would rather have heard from the witness and received information so that we could look into the matter that is before us today; but the man does have a constitutional right to assert that privilege not to give testimony against himself. I guess if there is any further—Mr. Barr, as a prosecutor, if he wants to know further, some legal matter, we ought to let the lawyer speak. Otherwise, the Constitution speaks for itself, and the man does have a right.

Mr. BURTON. Let me reclaim my time, and just say that in my opening statement I mentioned that the Justice Department, I believe—and I think I have it on very good authority—that it has been recommended, that the case on Mr. Parish be closed. If that is the case, then the IG should be able to testify. Evidently, though, there is more to this than Mr. Parish wants to divulge. If that is the case, then I cannot understand why the Justice Department has recommended that this case be closed.

If the Justice Department has recommended this case be closed and the witness himself doesn't wish to testify because he may incriminate himself, then the Justice Department is not doing its job, in my opinion, because this case should be thoroughly investigated. As you will hear as we go through the hearing today, Mr. Waxman, I think you will hear from some of the witnesses some of the facts that we have been able to get in our investigation, that there is a lot more here that needs to be investigated that was not investigated; and on three separate occasions, the State Department, the FBI, and others dropped the ball. That is why we are going on with this investigation, not because we want to just prolong this thing, but because an adequate job wasn't done.

We have information that one of the people that was investigating this went into Mr. Parish's office, destroyed a lot of documents that Parish shouldn't have had in his office in the first place and kept very few of the others. Now, those documents were relevant to the investigation. Why they were destroyed may have been an error in judgment, I don't know, but we are going to try to find out. But why those documents were destroyed when they are relevant to the investigation is beyond me.

We had, in Chinese newspapers, people at very high levels indicating that there were bribes being paid at the consulate to a specific individual for visas. That was not pursued.

We had a letter from a Mr. Chen, which will be submitted for the record, where Mr. Chen said it is very clear that the gentleman in question, Mr. Parish, was involved in accepting bribes; and that was not even followed up on.

[The letter referred to follows:]

Mr. Ambassador
U.S.Embassy
People's Republic of China

David Chen
Chinese-American Association
525 Market St. Suit 1008

September 28, 1995

Dear Mr. Ambassador:

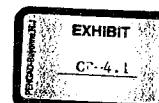
When I was on vacation in Peking last month I have gotten a lot complains regarding the illegal activities in you visa office. Some of your employees sell the visa to the citizen of China, the others receive bribe.

This is involved not only the Chinese translators but also the vice consul. They received the money and the valuable gift from the Chinese persons who eagerly want to get visa to America for varies reasons included the economic criminal. The price of each visa is from \$20,000 to \$30,000 (U.S.Dollars) that is 30 years' income of the average Chinese people.

Kindly make the necessary investigate and action against the illegal actions, to defend the interest of America as well as the Chinese people.

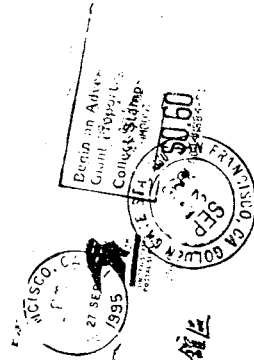
Very truly yours,

David Chen
David Chen





David Chen
Chinese-American Association
525 Market St. Suite 1008
San Francisco, CA 94108



中國北京建國門外使館區
美國駐中國大使館
大使先生收

Mr. Ambassador
U.S. Embassy
People's Republic of China

Mr. BURTON. Now, you know, you can criticize us for going on with the investigation, but if it is apparent these things have not been followed up on, and the integrity of the U.S. Government is in question, and that people who are trying to get in this country are getting the impression that if you pay a bribe, you can get in—and this sends the wrong message around the world. In addition, if China, which has been involved in espionage and illegal campaign contributions, could get access to the United States through bribery of an official of our Government, then, boy, we have got real problems.

And so all I would like to say is that, and I will then yield back our time unless Mr. Barr would like a minute, I think that this investigation is justified and warranted, and we intend to pursue it.

Mr. Barr.

Mr. BARR. Mr. Chairman, if I might inquire of the witness if he has been interviewed by the State Department, by anybody at the State Department, or any other Federal agency concerning the allegations which were summarized earlier and you heard by the chairman?

Mr. PARISH. The same answer, Mr. Barr.

Mr. BARR. Which is.

Mr. PARISH. On advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. BARR. Were you present, Mr. Parish, during the opening remarks of Chairman Burton, and did you hear them?

Mr. PARISH. Same answer.

Mr. BARR. Which is?

Mr. PARISH. On advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. BARR. Are you familiar with Title XVIII of the Criminal Code, section 201, relating to bribery of public officials and witnesses?

Mr. PARISH. Mr. Barr, on advice of my counsel, I must respectfully invoke my constitutional right to decline to answer.

Mr. BURTON. Representative Barr, I understand the questions that you want to ask, and I am just as concerned as you are about this, but it doesn't appear it is going to be fruitful to get Mr. Parish to answer any questions because of his constitutional right.

Mr. BARR. Then would it be your intent, Mr. Parish, your unequivocal intent to not answer any question that I pose to you?

Mr. PARISH. That is correct, Mr. Barr.

Mr. BARR. Apparently it would be unfruitful, Mr. Chairman. Thank you.

Mr. BURTON. Thank you, Mr. Barr.

Unless other members have something they would like to say, I don't think questions would be fruitful. Unless they have something they would like to say, I will yield back our time and yield to Mr. Waxman.

Mr. WAXMAN. There's a vote on the House floor. The witness is asserting his constitutional right not to answer questions. I have nothing to ask.

Mr. BURTON. That being the case, Mr. Parish, you will be excused, and we will recess until the fall of the gavel right after this vote. Chair stands in recess.

[Recess.]

Mr. BURTON. Committee will come to order. I ask unanimous consent that a staff report regarding Mr. Parish's improper actions be included in the record, and without objection, so ordered.

[NOTE.—The majority report may be found at the end of the hearing.]

Mr. BURTON. Let me just say that we have now Under Secretary Bonnie Cohen, and I just told Ms. Cohen that my mother's name was Bonnie. I have a soft spot for that. It means very pretty. Under Secretary Bonnie Cohen; Inspector General Jacquelyn Williams-Bridgers; Acting Assistant Secretary Peter Bergin; and Donald Schurman.

And Mr. Gnehm, are you going to add to their knowledge as this goes on?

Mr. GNEHM. If they so desire.

Mr. BURTON. Well, then I probably ought to have you stand and be sworn as well.

Would you all stand.

Ms. COHEN. Excuse me, could I add Mary Ryan.

Mr. BURTON. Well, not as a testifier, but as an adjunct. If she is going to give you information, you can have her stand as well.

[Witnesses sworn.]

Mr. BURTON. Be seated. We will start with you, Under Secretary Cohen. You are recognized, if you like, to make an opening statement.

STATEMENTS OF PETER BERGIN, ACTING ASSISTANT SECRETARY AND DIRECTOR OF DIPLOMATIC SECURITY; JACQUELYN L. WILLIAMS-BRIDGERS, INSPECTOR GENERAL; BONNIE R. COHEN, UNDER SECRETARY FOR MANAGEMENT, ACCOMPANIED BY EDWARD W. GNEHM, DIRECTOR GENERAL OF THE FOREIGN SERVICE; MARY A. RYAN, ASSISTANT SECRETARY FOR CONSULAR AFFAIRS, U.S. DEPARTMENT OF STATE; AND DON SCHURMAN, REGIONAL SECURITY OFFICER

Ms. COHEN. Thank you very much. I think we are all pleased—

Mr. BURTON. Pardon me, if we could, we would like, if it is possible, to keep your statements to 5 minutes because we have a lot of ground to cover.

Ms. COHEN. We are pleased to be here to explain our visa operations and the procedures for investigation of consular malfeasance. You did introduce everyone. I think we would like to start with a very brief statement from Pete Bergin, who is the Acting Assistant Secretary for Diplomatic Security. Then the Inspector General Jackie Williams-Bridgers, has a statement, and then I have a statement.

Mr. BURTON. OK. Fine.

Mr. Bergin.

Mr. BERGIN. Thank you, Mr. Chairman. I would ask that my written statement be made part of the official record, sir.

Mr. BURTON. Without objection, so ordered.

Mr. BERGIN. Thank you.

Good morning, Mr. Chairman and members of the committee. Thank you for the opportunity to appear before this committee to

discuss the Bureau of Diplomatic Security's role in investigating Charles Parish.

Embassy Beijing's management first became aware of the allegations against Mr. Parish on April 11, 1996, from junior officers of the Embassy, who expressed concern about the lack of managerial controls in the consular section. The next day, the Deputy Chief of Mission initiated an inquiry into the concerns and uncovered additional allegations that Mr. Parish gave special treatment to some of the organizations that sponsored visa applicants and to his personal contacts and friends. These allegations stemmed from a birthday party given by a Chinese national who was a friend of Mr. Parish.

Embassy Beijing Regional Security Officer Don Schurman promptly advised the Diplomatic Security Visa Fraud Branch in Washington that post officials had received allegations of questionable management practices and possible unethical activities by Mr. Parish in his position as Chief of the Nonimmigrant Visa Section. Post reported that they had no evidence that Mr. Parish might be accepting money or other benefits in exchange for issuing visas. Nevertheless, our Visa Fraud Branch opened a criminal investigation on Charles Parish based on these reported allegations concerning his suspect managerial conduct and the potential for involvement in visa malfeasance, which is a violation of the U.S. Criminal Code.

The Visa Fraud Branch, working with Mr. Schurman, initiated its investigation by reviewing all relevant visa documents and related information. The RSO conducted a thorough search and retrieved and forwarded copies of 27 visa applications from individuals who were sponsored by a friend of Mr. Parish. In addition, the RSO sent a list provided by post's consular section containing anecdotal examples of alleged activities which gave the appearance of impropriety, specific instances in which visas were allegedly issued under questionable circumstances and cases where visas were issued to individuals previously refused.

The Visa Fraud Branch in Washington reviewed the materials and discovered sufficient anomalies to warrant further inquiry. The investigation focused on the United States operations of two Chinese nationals and their New York-based companies that appeared to benefit from the issuance of the visas Mr. Parish had approved. The two Chinese nationals provided information and documentation to the Visa Fraud Branch that they claimed supported the legitimacy of their operations. The Visa Fraud Branch also obtained official documentation from the Immigration and Naturalization Service on the two companies. This documentation indicated that INS had approved a number of petitions for Chinese nationals who had been sponsored by these two companies. The Visa Fraud Branch's investigation found no indication of any involvement by Mr. Parish in any criminal activities. In the absence of further leads from Beijing, and given unproductive investigative results to date, the status of the investigation into Mr. Parish was considered inactive pending any additional information.

In January 1998, Mr. Chairman, the FBI and the Department's Office of Inspector General made inquiries about Mr. Parish and complete access to Diplomatic Security files was provided to them.

In March 1998, our Visa Fraud Branch also helped facilitate the Inspector General's investigation at post with the regional security officer. The Federal Government actively pursued leads in the Charles Parish case. However, the investigations did not reveal criminal wrongdoing, nor did the Diplomatic Security investigation find any basis for referral to the Bureau of Personnel for any further administrative action.

Mr. Chairman, the Department does not generally discuss in public the details of a personnel investigation in view of the Privacy Act. The Department is prepared to provide such details in this case because of the committee's strong interest and in response to a specific request.

At this time, sir, I would like to turn the testimony over to Ms. Bridgers. Thank you.

[The prepared statement of Mr. Bergin follows:]

**STATEMENT OF PETER E. BERGIN
ACTING ASSISTANT SECRETARY OF STATE FOR DIPLOMATIC SECURITY
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENT REFORM
JULY 29, 1999**

Thank you for the opportunity to appear before this committee to discuss the Bureau of Diplomatic Security's role in investigating Charles Parish.

Embassy Beijing's management first became aware of the allegations against Mr. Parish on April 11, 1996 from junior officers of the embassy who expressed concern about the lack of managerial controls in the consular section. The next day the Deputy Chief of Mission initiated an inquiry into the concerns and uncovered additional allegations that Mr. Parish gave special treatment to some of the organizations that sponsored visa applicants and to his personal contacts and friends. Further allegations stemmed from a birthday party given by a Chinese national who was friend of Mr. Parish.

Embassy Beijing Regional Security Officer (RSO) Don Schurman promptly advised the DS Visa Fraud Branch (DS/VF) in Washington that post officials had received allegations of questionable management practices and possible unethical activities by Mr. Parish in his position as chief of the Non-Immigrant Visa Section. Post reported that they had no evidence that Mr. Parish might be accepting money or other benefits in exchange for issuing visas. Nevertheless, DS/VF opened a criminal investigation on Charles Parish based on these reported allegations concerning his suspect managerial conduct and the potential for involvement in visa malfeasance, which is a violation of United States Criminal Code.

DS/VF, working with the RSO, initiated its investigation by reviewing all relevant visa documents and related information. The RSO conducted a thorough search and retrieved and forwarded copies of 27 visa applications from individuals who were sponsored by a friend of Mr. Parish. In addition, the RSO also sent a list provided by post's consular

section containing anecdotal examples of alleged activities which gave the appearance of impropriety, instances in which visas were allegedly issued under questionable circumstances and cases where visas were issued to individuals previously refused.

DS/VF reviewed the materials and discovered sufficient anomalies to warrant further inquiry. The investigation focused on the U.S. operations of two Chinese nationals and their New York based companies that appeared to benefit from the issuance of the visas Mr. Parish had approved.

The two Chinese nationals provided information and documentation to DS/VF that they claimed supported the legitimacy of their operations. DS/VF also obtained official documentation from the Immigration and Naturalization Service (INS) on the two companies. This documentation indicated that INS had approved a number of petitions for Chinese nationals who had been sponsored by the two companies. DS/VF's investigation found no indication of any involvement by Mr. Parish in any criminal activities.

In the absence of further leads from post, and given unproductive investigative results to date, the status of the investigation into Mr. Parish was considered inactive pending any additional information. In January 1998 the FBI and the Department's Office of the Inspector General (OIG) made inquiries about Mr. Parish and complete access to DS's files was provided to them. In March 1998 the DS Visa Fraud Branch also helped facilitate OIG's investigation at post with the RSO.

This concludes my statement. I would be pleased to answer any questions you may have.

Mr. BURTON. Ms. Bridgers.

Ms. WILLIAMS-BRIDGERS. Thank you very much, Mr. Chairman, for your invitation to testify before this committee on the role of my office in the investigation of Mr. Parish.

For reasons that I will explain in a moment, I am unable to testify on the specifics of our investigation. I would, however, like to provide both in my statement for the record and in oral summary, information that the committee has requested regarding my office's investigations of visa fraud involving U.S. consular officers since 1990. I have also addressed in some detail in my written statement the Office of Inspector General's [OIG] general oversight of the Department's consular antifraud efforts.

I am unable to testify regarding OIG's investigation of Mr. Parish because of concerns expressed by the Department of Justice [DOJ] that my testimony would or could disclose information in violation of rule 6(e) of the Federal Rules of Criminal Procedure.

DOJ's concern stems from a recent decision by the Chief Judge of the U.S. District Court of the District of Columbia. Originally issued under seal, this opinion was not unsealed until October 30, 1998, and has not been published in any official legal reporter. My office was unaware of this decision and its full ramifications for my testimony, until yesterday morning when Department of Justice attorneys, who had been given a draft of my testimony, provided their final comments.

My office's investigation of Mr. Parish was conducted jointly with the FBI, which served as the lead agency. The investigation was initiated as part of DOJ's larger Campaign Contribution Task Force probe for which a grand jury was impaneled. Based on the recent court decision, DOJ has cautioned that any discussion of our investigation could implicate rule 6(e) concerns. Thus, DOJ has advised me that even interviews conducted by my agents or witnesses who were not called before the grand jury could be considered subject to the restrictions of rule 6(e) and, thus, grand jury protected.

Under the circumstances, I feel the only responsible approach is for me to err on the side of caution so that there cannot be any suggestion that I have acted in a manner other than in full compliance with the court's decision. Nonetheless, I am pleased to appear before the committee to discuss my office's oversight of consular fraud.

My office's Office of Investigations conducts passport and visa fraud investigations, including those targeted against employees of the Department. Often the investigations involve cooperative efforts with the Bureau of Diplomatic Security and other law enforcement agencies. Visa and passport fraud currently comprises over 25 percent of our workload. Our cases include a broad range of malfeasance related to consular fraud.

Mr. Chairman, in your recent letter to Secretary Albright, you requested information on our investigative cases of alleged visa fraud by U.S. consular officers. Since 1990, our office has opened 283 consular fraud investigations. Of these, 206 were visa fraud investigations and 77 were passport fraud investigations. Some of the subjects in these investigations are Foreign Service national employees in our Embassies. However, the majority are not employees of the U.S. Government, but individuals in the United States or

overseas who act as “brokers” to extort money from individuals in exchange for visas.

Approximately 10 percent of the 283 investigations have involved allegations against U.S. diplomats. Since 1990, we have opened 29 cases on Foreign Service Officers alleged to have engaged in visa fraud. Four of these cases have resulted in a referral to the Department of Justice for prosecutorial consideration. DOJ declined prosecution on three, and one resulted in an indictment. However, this individual was acquitted by a jury trial. Of the 29 cases, 2 resulted in referrals to the Department’s Director General for administrative action. According to our records, both employees who were the subject of these two investigations received letters of reprimand for appearances of impropriety and/or improper visa issuances.

The 283 cases, however, do not fully disclose the extent of our efforts in the passport and visa fraud area. Any one case may involve multiple subjects. For example, one case in 1998 resulted in the indictment of 11 subjects, all nongovernment individuals.

Attempts to falsify, alter, or counterfeit U.S. visas or passports, or to obtain genuine documents by fraudulent means are a constant problem, both in the United States and overseas. Fraud associated with these official documents focuses on either the document itself, through counterfeiting or alteration, or on the issuance process through bribery or trickery. Defeating these efforts requires secure documents that are difficult to counterfeit and easy to detect when they are altered. Additionally, countering fraud requires officials who are well trained and informed about common methods of fraud.

The Department has faced significant challenges in its visa processing operations over time. In recent years, the Department has made significant progress in visa processing operations. The Office of Consular Fraud Prevention Programs has shifted focus from looking at individual fraud cases to identifying systemic fraud-related issues across a large number of cases.

Currently, my office is reviewing the Department’s consular anti-fraud programs. While we have not yet issued our final report, my written statement details more specific observations on our ongoing review.

Mr. Chairman, this concludes my summary. I would be happy to answer questions at the appropriate time.

[The prepared statement of Ms. Williams-Bridgers follows:]

**STATEMENT OF
JACQUELYN L. WILLIAMS-BRIDGERS
INSPECTOR GENERAL OF THE
DEPARTMENT OF STATE, AND THE
UNITED STATES INFORMATION AGENCY, INCLUDING
INTERNATIONAL BROADCASTING**

**FOR THE
COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

July 29, 1999

Mr. Chairman and Members of the Committee:

Thank you for your invitation to testify before this Committee on the role of my office in an investigation of Mr. Charles Parish.

For reasons that I will explain in a moment, I am unable to testify on the specifics of our investigation concerning Mr. Parish. I would, however, like to provide both in my statement for the record and in oral summary, information that the Committee has requested regarding my office's investigations of visa fraud involving U.S. consular officials since 1990. I have also addressed in some detail in my written statement OIG's general oversight of the Department's consular antifraud efforts.

I am unable to testify regarding OIG's investigation of Mr. Parish because of concerns expressed by the Department of Justice that my testimony would or could disclose information in violation of Rule 6(e) of the Federal Rules of Criminal Procedure.

DOJ's concern stems from a recent decision by the Chief Judge of the United States District Court in the District of Columbia. Originally issued under seal, this opinion was not unsealed until October 30, 1998, and has not been published in any official legal reporter. My office was unaware of this decision and its full ramifications for my testimony until yesterday morning when DOJ attorneys, who had been given a draft of my testimony, provided their final comments.

My office's investigation of Mr. Parish was conducted jointly with the FBI, which served as the lead agency. The investigation was initiated as part of DOJ's larger Campaign Contribution Task Force probe for which a grand jury was impaneled. Based on the recent court decision, DOJ has cautioned that any discussion of our investigation could implicate Rule 6(e) concerns. Thus, DOJ has advised that even interviews conducted by my agents of witnesses who were not called before the grand jury could be considered subject to the restrictions of Rule 6(e) and thus grand jury protected.

Under the circumstances, I feel the only responsible approach is for me to err on the side of caution so there cannot be any suggestion that I have acted in a manner other than in full compliance with the Court's decision.

Nonetheless, I am pleased to appear before the Committee to discuss my office's oversight of consular fraud.

The OIG's Office of Investigations conducts passport and visa fraud investigations, including those targeted against employees of the Department. Often the investigations involve cooperative efforts with the Bureau of Diplomatic Security and other law enforcement agencies. Visa and passport fraud currently comprises over 25 percent of the cases investigated by OIG. Our cases include a broad range of malfeasance related to consular fraud.

Mr. Chairman, in your recent letter to Secretary Albright, you requested information on our investigative cases of alleged visa fraud by U.S. consular officers. Since 1990 our office has opened 283 consular fraud investigations. Of these, 206 were visa fraud investigations and 77 were passport fraud investigations. Some of the subjects in these investigations are Foreign Service National employees in our embassies abroad. However, the majority are not employees of the U.S. Government, but individuals in the United States or overseas who act as "brokers" to extort money from individuals in exchange for visas.

Approximately 10% of the 283 investigations have involved allegations against U.S. diplomats. Since 1990, we have opened 29 cases on Foreign Service Officers alleged to have engaged in visa fraud. Four of these cases have resulted in a referral to the Department of Justice for prosecutorial consideration. The Department of Justice declined prosecution on three and one resulted in an indictment. However, this individual was acquitted by a jury trial. Two of the 29 cases resulted in referrals to the Department's Director General for administrative action. According to our records, both employees who were subject of these 2 investigations, received letters of reprimand for appearances of impropriety and/or improper visa issuances.

The 283 cases do not fully disclose the extent of our efforts in the passport and visa fraud area. Any one case may involve many subjects. For example, one case in 1998 resulted in the indictment of 11 subjects, all non-government individuals. Since 1990, 105 individuals have been

indicted following an OIG visa fraud investigation. Five were Foreign Service National employees and 99 were non-employee "brokers."

On passport fraud cases since 1990, 15 individuals have been criminally charged. Two of these individuals were civil service employees of the Department of State.

Attempts to falsify, alter, or counterfeit U.S. visas or passports, or obtain genuine documents by fraudulent means are a constant problem both within the United States and overseas. Fraud associated with these official documents focuses on either the document itself through counterfeiting or altering it, or on the issuance process through trickery or bribery. Defeating these efforts requires secure documents that are difficult to counterfeit and easy to detect when altered. Additionally, countering fraud requires officials who are well trained and informed about common methods of fraud. People are willing to pay a tremendously high cost to obtain entry into the United States. Depending on the locale, quality, and type of a counterfeit visa, the people are willing to pay anywhere from \$1,500 to \$5,000.

The Department has faced significant challenges in its visa processing operations over time. In recent years, the Department has made significant progress in visa processing operations. It has installed modernized consular systems worldwide, improved effectiveness of the namecheck system, and increased efforts to counter document fraud. The Office of Consular Fraud Prevention Programs has shifted focus

from looking at individual fraud cases to identifying systemic fraud-related issues across a large number of cases. The Department has also developed a model for ranking high-fraud posts and now issues a monthly magazine devoted to global and regional fraud trends.

Currently, my office is reviewing the Department's consular antifraud programs. While we have not yet issued a final report, my written statement includes more detailed observations based on our ongoing review.

Mr. Chairman, this concludes my summary. I would be happy to answer questions you or members of the Committee may have about these or other matters regarding our consular fraud oversight efforts.

**STATEMENT OF
JACQUELYN L. WILLIAMS-BRIDGERS
INSPECTOR GENERAL OF THE
DEPARTMENT OF STATE, AND THE
UNITED STATES INFORMATION AGENCY, INCLUDING
INTERNATIONAL BROADCASTING**

FOR THE

**COMMITTEE ON GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES**

July 29, 1999

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to testify before your Committee regarding the Department of State's handling of allegations of visa fraud and other irregularities at the U.S. Embassy in Beijing. Specifically, you have asked that I share with the Committee the role played by my office in an investigation of Mr. Charles Parish, who was Chief of the Non Immigrant Visa Section while at Embassy Beijing, and the cooperation of my office with your Committee in its review of the investigation of Mr. Parish.

Mr. Chairman, for reasons that I will explain in a moment, I am unable to testify on the specifics of our investigation concerning Mr. Parish. I would, however, like to provide in my statement for the record, specific information which the Committee has requested regarding the number of cases of alleged visa fraud involving U.S. consular officials investigated by the Office of Inspector General (OIG) since 1990, and the number of cases we have referred to the Department of Justice for prosecution during that time period. I would also like to provide for the record information concerning our general oversight of the Department of State's (the Department) consular antifraud efforts as well as general information on OIG visa fraud investigations.

Mr. Chairman, in my telephone conversation with your staff early yesterday afternoon I advised the Committee that I am unable to testify regarding OIG's investigation of Mr. Parish because of concerns expressed by the Department of Justice (DOJ) that my testimony would or could disclose information in violation of Rule 6(e) of the Federal Rules of Criminal Procedure.

DOJ's concern stems from a recent decision by the Chief Judge of the United States District Court in the District of Columbia, In Re Grand Jury Proceedings, Misc.

No. 98-228, 199 8 U.S. Dist. LEXIS 17290 (September 25, 1998). Originally issued under seal, this opinion was not unsealed until October 30, 1998, and has not been published in any official legal reporter. My office was unaware of this decision and its full ramifications for my testimony and our document productions until yesterday morning when DOJ attorneys, who had been provided a draft of my testimony, provided their final comments.

My office's investigation of Mr. Parish was conducted jointly with the FBI, which served as the lead agency. The investigation was conducted as part of DOJ's larger Campaign Contribution Task Force probe for which a grand jury was impaneled. Based on the recent court decision, DOJ has cautioned that any discussion of our investigation could implicate Rule 6(e) concerns. Thus, DOJ has advised that even interviews of witnesses who were not called before the grand jury and which were conducted by the OIG agent alone conceivably could be considered to be "a matter occurring before the grand jury" and thus subject to the restrictions of Rule 6(e).

Under the circumstances, I feel the only responsible approach is for me to err on the side of caution so there cannot be any suggestion that I or this office have acted in a manner other than in full compliance with the Court's decision.

Nonetheless, I am pleased to appear before the Committee to explain the reasons for my inability to testify about our Parish investigation, as discussed above, and more generally on my office's oversight of consular fraud.

OIG Investigations of Passport and Visa Fraud

OIG is mandated to prevent and detect waste, fraud, and mismanagement. Specific allegations or other information indicating possible violations of law or regulation are investigated by OIG special agents supported by experts from other OIG offices as appropriate. For the most part, OIG's investigative caseload is reactive.

The Office of Investigations, for its part, historically has conducted passport and visa fraud investigations, including those targeted against employees of the Department who are part of these schemes. Often the investigations involve cooperative efforts with the Department's Bureau of Diplomatic Security (DS) and with other law enforcement agencies.

Visa and passport fraud currently comprises over 25 percent of the cases being investigated by OIG. Our cases include a broad range of malfeasance related to consular fraud. For example, in 1998, OIG investigated a case involving "marriages of convenience" for illegal aliens currently in the United States. OIG, working with the Immigration and Naturalization Service (INS) and the Federal Bureau of Investigation, identified the marriage broker who had arranged at least 30 sham marriages between aliens and U.S. citizens over a 5-year period.

In 1996, a joint investigation conducted by OIG and INS uncovered an operation run by an individual who was illegally obtaining nonimmigrant tourist visas, selling fraudulent documents and U.S. passports, and smuggling aliens into the United States. Also in 1996, OIG conducted a joint operation with INS, on a case involving visa swindling, forgery, and passing fraudulent identity documents to defraud the INS. Using an undercover operative, INS and OIG purchased numerous documents and a fraudulent political asylum package. It is believed that the subjects filed over 1,200 false political asylum applications, with unreported income from the scheme in excess of \$1 million. In a passport fraud case, OIG conducted an undercover operation in which an individual sold a fraudulent passport to a confidential informant. The individual had sold at least 20 such passports for \$3,000 each.

Some of OIG's investigations also include fraud allegations in the H-1 nonimmigrant visa program. These investigations are typically brought to our attention by informants and through contacts with other Federal, State and local law enforcement agencies. The H-1B program permits eligible foreigners to enter the U.S. temporarily to perform services in a specialty occupation that requires the theoretical and practical application of a body of highly specialized knowledge to fully perform the occupation. It may require a baccalaureate degree or equivalent experience in a specific occupational specialty.

Fraud involving the H-1 visa program often involves large scale and complex operations. Joint investigations and the creation of task forces are particularly useful and often necessary when dealing with H-1 visa fraud. Moreover, the magnitude of the smuggling operations usually associated with these fraud cases requires significant investigative resources.

In our latest semiannual report, I reported on a case involving selling fraudulent H-1B nonimmigrant visas to illegal aliens. A joint investigation was initiated with the U.S. Customs Service, INS, the U.S. Social Security Administration's Office of Inspector General and my office. The investigation developed evidence that an individual, posing as a financial and legal consultant in a storefront office, was manufacturing fraudulent H-1B visas, as well as INS entry stamps and INS employment authorization stamps, and was inserting them into passports supplied by the subject's customers. The passports containing the fraudulent documents would then be used as documentation in support of applications for social security cards and driver licenses. Judicial proceedings are pending in U.S. District Court on this matter.

In your letter to Secretary Albright, dated July 23, 1999, you requested information on cases of alleged visa fraud involving U.S. consular officers investigated by my office. Since 1990 our office has opened 283 consular fraud investigations. Of these, 206 were visa fraud investigations and 77 were passport fraud investigations. Some of the subjects in these investigations are Foreign Service national employees in our embassies abroad. However, the majority are not employees of the U.S. Government,

but individuals in the United States or overseas who act as "brokers" to extort money from individuals in exchange for visas.

Approximately 10% of the 283 investigations have involved allegations against U.S. diplomats. Since 1990 we have opened 29 cases on Foreign Service Officers alleged to have been involved in visa fraud. Four of these cases have resulted in a referral to the Department of Justice for prosecutive consideration. The Department of Justice declined prosecution on three and one resulted in an indictment. However, this individual was acquitted by a jury trial. Two of the 29 cases resulted in referrals to the Department's Director General for administrative action.

The 283 cases do not fully disclose the extent of our efforts in the passport and visa fraud area. Any one case may involve many subjects. For example, one case in 1998 resulted in the indictment of 11 subjects, all non-government individuals. Since 1990, 105 individuals have been indicted following an OIG visa fraud investigation. Five were Foreign Service National employees and 99 were non-employee "brokers."

On passport fraud cases since 1990, 15 individuals have been criminally charged. Two of these individuals were civil service employees of the Department of State.

Summary of OIG Consular Oversight

Each year, millions of individuals apply for passports and visas at more than 230 U.S. embassies and consulates throughout the world. During FY 1998, our overseas missions processed over 311,000 passport applications, 700,000 immigrant visa applications, and over 7 million nonimmigrant visa applications. Antifraud units at overseas posts conducted over 142,000 consular fraud investigations.

Attempts to falsify, alter, or counterfeit U.S. visas or passports, or obtain genuine documents by fraudulent means are a constant problem both within the United States and overseas. Fraud associated with these official documents focuses on either the document itself through counterfeiting or altering it, or on the issuance process through trickery or bribery. Defeating these efforts requires secure documents that are difficult to counterfeit and easy to detect when altered. Additionally, countering fraud requires competent and honest officials who are well trained and informed about common methods of fraud. People are willing to pay a tremendously high cost to obtain entry into the United States. Depending on the locale, quality, and type of a counterfeit visa, the cost can range anywhere from \$1,500 to \$5,000.

The Department has faced significant challenges in its visa processing operations over the years. Between 1987 and 1999, immigrant and nonimmigrant visa processing was listed as a material weakness in the Department's annual Federal Manager's Financial Integrity Act report. The Department has cited unfilled computer needs, insufficient consular staffing, and inadequate interagency exchanges of intelligence on

inadmissible aliens as problems that create a greater likelihood of fraud by weakening management controls over consular operations.

Since 1988, my office has also identified a number of weaknesses in the Department's consular operations, particularly in the areas of staffing, training, and program management. Currently, my office is reviewing the Department's consular antifraud programs. While we have not yet issued a final report, my statement includes observations based on our review.

In recent years, the Department has made significant progress in enhancing visa and passport processing operations. It has introduced a photodigitalized passport, enhanced data sharing via the Interagency Border Inspection System, installed modernized consular systems worldwide, improved effectiveness of the namecheck system, increased efforts to counter document fraud, and is introducing a more secure border crossing card in Mexico. The Department reports that its TIPOFF program, using all-source, U.S. intelligence information, has been used to deny U.S. visas to over 400 terrorists since 1997. In addition, the Office of Consular Fraud Prevention Programs has shifted focus from looking at individual fraud cases to identifying systemic fraud-related issues across a large number of cases. The Department has also developed a model for ranking high-fraud posts and now issues a monthly magazine devoted to global and regional fraud trends.

In my statement today I will discuss ongoing challenges the Department faces in preventing consular fraud. These include staffing shortages in key areas, inexperienced staff, and insufficient training for consular line officers. I will also address problems in the management of antifraud programs including a lack of support for overseas post operations, insufficient analysis of data to provide fraud trends, and inadequate supervision in antifraud units overseas. Finally, I will discuss our investigative work as it pertains to passport and visa fraud cases. My discussion of the Department's antifraud efforts is not limited to nonimmigrant visa (NIV) fraud, but rather applies more broadly to all types of consular fraud.

Consular Fraud

The Department's antifraud programs are designed to deter applicants, including terrorists, organized criminals, drug traffickers, foreign smuggling rings, and others wanting to illegally immigrate to the United States, from illegally obtaining visas or passports. In the Department, the Office of Consular Fraud Prevention Programs is responsible for developing policies and programs to ensure the integrity of U.S. passports and visas and to prevent consular fraud; coordinating passport, visa, and consular cases involving document fraud; acting as a liaison with other government agencies on fraudulent matters; and providing antifraud training for passport agents and consular officers.

At overseas posts, consular officers are the first line of defense against consular fraud. When consular officers become suspicious of an applicant or the documentation used to support an application, they may refer the case to the antifraud officer for investigation. The antifraud unit will attempt to verify the applicant's identity and the application documents by phone, mail, site visits, or a combination of these techniques.

Consular Staffing

In 1997, the Assistant Secretary of Consular Affairs testified before Congress and cited the importance of adequate staffing levels to effective fraud prevention. My office's 1995 report on the nonimmigrant visa process, and 1997 report on the machine readable visa program also stressed the importance of staffing and identified problems related to inadequate staffing levels for consular operations.

Overseas consular offices and antifraud units continue to face staffing shortages. High-fraud posts are not able to attract enough experienced consular officers, or enough full-time, experienced antifraud officers because these posts are generally in undesirable locations and have heavy workloads. In addition, no correlation exists between the fraud level of a post and whether that post has a full-time antifraud officer. In the course of our work we have found that many high-fraud posts lack full-time antifraud officers, while many moderate- to low-fraud posts employ such officers on a full-time basis. Of the 12 full-time antifraud officers in the Department, only 4 are assigned to high fraud posts.

Antifraud units also have difficulty retaining Foreign Service national investigators because investigator positions are classified at a lower grade than investigator positions for other agencies. High turnover of such staff, who leave for better paying positions, has a negative impact on the effectiveness of antifraud units.

The Department also needs to better match the expertise of its staff with antifraud program priorities and workload. The overwhelming numbers of antifraud investigations relate to visa applications at overseas posts, however the majority of staff has experience working primarily in domestic passport operations. In addition, a 1995 reorganization of the Office of Consular Fraud Prevention Programs changed staff responsibilities from reviewing individual cases to identifying trends and providing operational support. Many employees did not have the skills necessary for the new responsibilities.

At overseas posts, inexperienced consular officers often rely too heavily on antifraud unit staff for routine cases, limiting the time antifraud staff can devote to more serious antifraud efforts. At posts we visited, we found a number of routine visa fraud cases referred to the antifraud units that line officers should have been able to recognize and handle themselves. These types of fraud cases were forwarded to the antifraud unit partly because posts lacked clear guidelines for case referrals. Also, insufficient training and experience caused consular officers to question their own judgement.

Training

Inadequate training for consular officers has been a problem identified in several past OIG reports. Our review of the Department's consular fraud prevention programs focused on the antifraud training provided to junior officers and passport specialists, antifraud officers and passport fraud managers, and antifraud unit Foreign Service national investigators. While the Department has made improvements in its antifraud training efforts, deficiencies still exist.

Antifraud training for the junior officers is inadequate. The Department's basic consular course, which all consular officers are required to attend prior to departing for post, contains a 4-hour antifraud training segment. Because fraud varies from country to country, this training segment is general in nature. The Department relies on posts to provide country-specific antifraud training. We found that officers were receiving limited, or in some cases, no country-specific antifraud training prior to serving on the visa lines. Instead, officers were expected to learn on the job. As a result, we found that officers did not have confidence in their ability to decide whether to approve visas and were routinely sending applications to the antifraud unit, overwhelming the antifraud officers with routine cases that should have been dealt with on the line.

In response to OIG's review, the Department has already made some improvements to its antifraud officer training. The Department has initiated a 1-week course for antifraud officers, which it plans to offer annually. Prior to this there was no specific training related to this function. While this training is a good initiative, the Department needs to ensure that those antifraud officers assigned to high fraud posts attend this training. The Department has also initiated a series of regional training conferences for Foreign Service national antifraud unit investigators. This is the first formal training for many of the investigators.

The Department needs to expand the concept of regional training to the antifraud officers. Although the Department frequently offers regional training conferences to deliver and reinforce training for many jobs overseas, with the exception of one post-initiated effort, no regional training has been devoted specifically for consular antifraud officers. Regional training would help improve and coordinate posts' antifraud efforts by disseminating regional fraud trends and patterns that may otherwise go unnoticed, allowing officers to share best practices and unique antifraud tools or techniques, and improving communication among the officers.

Fraud Program Management

Support to Overseas Posts

The Bureau for Consular Affairs is responsible for providing antifraud guidance and support to passport agencies and overseas posts. Site visits by Washington staff to

posts and passport agencies are one method of support by identifying and correcting antifraud operational deficiencies, providing training, obtaining hands-on knowledge of fraud trends, and establishing working relationships between the Department and the post or passport agency visited. However, site visits are infrequent and rarely include visits to those posts with the highest fraud.

Instead of prioritizing site visits based on the fraud level, posts were being selected based on requests from a post and on invitations to consular or other conferences. For example, of the 37 overseas site visits made by Washington staff during FY 1997, only 2 were to posts ranked in the top 10 high-fraud category, and only 4 were ranked from 11 to 20 for high fraud. When site visits have been conducted, the quality of the visits has been inconsistent, since there are no standardized written procedures for reviewing the operations or reporting the results of the visits. As a result of the lack of visits to these locations, deficiencies in antifraud operations continue, unnoticed by the Department. By neglecting to make site visits, the Department missed opportunities to improve its understanding of field operations and to train entire consular sections and passport agencies. More recently, the Department has conducted site visits to more high-fraud posts such as Manila, Kingston, and Santo Domingo.

Antifraud officers at posts are also not provided with the basic guidance needed to run an antifraud operation. Officers assigned as antifraud officers are often inexperienced and untrained for the position and do not have the knowledge or background to do an adequate job. Few posts overseas maintain fully-staffed antifraud units, therefore officers must generally start from scratch in developing procedures. For example, at the sixth highest ranked fraud post, the antifraud unit consisted of a part-time junior officer in a rotational position and a newly hired, inexperienced Foreign Service national investigator. Antifraud officers at posts we have visited want to perform their jobs effectively but were frustrated by the lack of guidance. Lack of guidance resulted in serious management deficiencies, such as inadequate supervision of Foreign Service national investigators, insufficient or nonexistent case management tracking systems, poorly documented investigative files, and failure to set workload priorities and control workflow.

Data Analysis and Verification

We also found that posts were not adequately monitoring their nonimmigrant visa operations for fraud. There are several methods by which this can be done such as: analyzing INS data on applicants turned away at the border; sampling prior issuances to determine whether the applicants returned to the host country as required; or routinely verifying the return of applicants who obtained visas under the posts' referral programs.

When applicants are turned away from U.S. borders, documentation detailing the action is routinely sent to the applicable post. While posts generally review this documentation on an individual case basis, few posts we visited ever performed an overall analysis of this information. One post began doing this at our suggestion and

subsequently reported back that its analysis had helped develop information on a smuggler who was able to enter the United States five times on a photosubstituted Machine Readable Visa. The analysis also led to the arrest of two visa vendors, provided leads for future investigations of certain travel agencies, and resulted in post's restricting the use of the drop box for certain other suspect travel agencies. The review also identified operational weaknesses on the visa line and helped the antifraud officer to focus the training of the line officers. In fact, this particular post ended up recommending such analysis to the Department as a best practice.

Conducting samples of prior issuances to identify which applicants remained illegally in the United States is also a method to monitor fraud. These reviews, called validation studies, are recommended by Washington as a best practice, but in actuality are rarely conducted by posts. Those posts that have conducted studies have been able to use the information to identify which categories of applicants that are higher risk and therefore require interviews, and which categories of applicants can have interviews waived. In many cases, this not only helps to identify fraud patterns and trends, but also helps to streamline nonimmigrant visa operations by reducing the number of applicants who are required to appear in person. The Department has reported that it has completed a statistical sampling model for validation studies, and has piloted it successfully at six posts. However, unless the Department has an enforcement plan, effective implementation of this practice by posts is doubtful.

Consular sections often use referrals from travel agencies, businesses, universities, and U.S. personnel at post to facilitate visa processing. This allows low-risk applicants to bypass the interview process, thereby relieving consular officers of heavy workloads, facilitating the visa process for host country officials, and allowing officers to help important contacts. These programs, however useful, are extremely vulnerable to fraud and need to be closely monitored for noncompliance and abuse. We have found that posts rarely conduct spot-check verifications to determine whether the applicants remained in the U.S. illegally.

Antifraud Unit Supervision

Supervision of Foreign Service national investigators is lax at many posts, often resulting in internal malfeasance. Investigators are especially vulnerable because of the independent nature of their day-to-day work and their frequent direct contact with those people who are committing fraud. American officers rarely, if ever, accompany the investigators on their field investigations. Other supervisory controls are often lacking. Officers often do not control the investigative process by establishing priorities, assigning cases, and reviewing investigative reports, but instead delegate this function to the supervisory investigator.

These weaknesses can often be attributed to the overall lack of full-time antifraud officers at posts. Antifraud responsibilities are often ancillary and therefore officers have little time to focus on antifraud work. As a result, there have been several instances of

malfeasance, which have been identified through outside sources, not through management controls. At one such post where my office identified serious supervisory deficiencies, two of the investigators were subsequently fired due to evidence of visa fixing.

Cooperation with Committee

Finally, Mr. Chairman, I would like to comment on the cooperation of my office with your Committee in its review of the investigation concerning Mr. Parish. On May 10 of this year, we received a copy of the Committee's subpoena of Department records pertaining to Mr. Parish. Shortly thereafter, OIG contacted Committee Counsel to state that my office would cooperate in whatever way we could to facilitate your review and that a subpoena of OIG records would not be necessary.

On May 17, members of my staff met with Committee staff to provide a narrative summary of our investigation. Shortly thereafter, Committee Counsel contacted OIG to request all documents pertaining to our investigation of Mr. Parish. During this discussion, it was agreed that we would provide an index of OIG documents to facilitate the identification of those documents that would be of most interest to the Committee. Subsequently, members of our staffs met again to review the index and identify those documents the Committee wanted to examine. Eighteen items listed on the OIG index were identified. The following day, the Committee staff wrote to the OIG with questions about the OIG investigative case file and we responded to these questions on June 29. On July 1, we provided the 18 documents in response to the Committee's request.

Subsequent telephone calls were exchanged concerning reference to documents that were not included in the OIG index which listed the documents contained in OIG's investigative case file. During the course of the investigation, OIG and FBI agents reviewed numerous records received from DS and determined that these records provided no new information for our investigation. As previously noted, these records had been culled by the Regional Security Officer at post. OIG also received from DS a box of personal items (letter openers, pens and neckties) that Mr. Parish left in his office. Copies of these documents and the box of personal items were delivered to the Committee.

* * *

This concludes my statement Mr. Chairman. Thank you for the opportunity to testify before the Committee. I look forward to answering any questions you may have on our general oversight of consular affairs.

Mr. BURTON. Ms. Cohen, were you going to go next?

Ms. COHEN. Yes, thank you. I will submit my complete statement for the record.

I would like first to give you a larger perspective on the State Department's visa processing operations. We have about 800 consular officials worldwide. They adjudicated 7.4 million non-immigrant visas in 1998, including 156,000 in Beijing. In addition, in 1998, our consular officers worldwide processed over 725,000 immigrant visas, handled over 6,000 deaths of Americans abroad, visited Americans in foreign prisons 4,800 times and orchestrated, in 1998, 13 evacuations of Americans from countries that had become dangerous.

In cases where allegations of wrongdoing by government personnel do emerge, investigations, as Pete Bergin has said, are conducted by the Department of Diplomatic Security Services, or DS, whose job it is to enforce the laws of the United States pertaining to U.S. visas. DS agents are trained law enforcement officers who, in any investigation, follow codified procedures contained in the U.S. Criminal Investigators Handbook.

The Department of State's Office of the Inspector General, as Ms. Williams-Bridgers has said, also has a mandated investigative role concerning all employee misconduct, and DS and the OIG cooperate to ensure that the law is enforced.

DS also works closely with the Bureau of Consular Affairs on cases involving employee corruption, attempted bribery of consular officials, and counterfeit issuances. Cases that implicate consular employees most often involve illegal activities designed to facilitate the travel of illegal aliens to the United States.

DS maintains a three-pronged strategy of deterrence, enforcement, and education to maintain the integrity of the U.S. visa issuance program worldwide. In addition, the training program for all consular offices includes classes in internal controls and malfeasance. The value of U.S. travel documents, as you yourself have indicated, the nature of the overseas environment, and the U.S. official's potential vulnerability are emphasized in training provided every officer by the Office of Fraud Prevention Programs in Consular Affairs. The Bureau of Consular Affairs also publishes a consular management handbook that serves as a key reference guide to all posts.

Finally, the regional security officer provides a mandatory orientation on security and malfeasance to every arriving officer at post. If an investigation of a consular employee by diplomatic security reveals misconduct, but Justice declines to prosecute, the case is referred to the Office of Employee Relations in the Bureau of Personnel. That office reviews the information and drafts a proposal for discipline, which is reviewed by the Office of the Legal Adviser and the grievance staff for legal sufficiency.

The proposal for discipline is sent to the employee for response and then forwarded to a senior Department official for decision. In making a decision, the deciding official takes into account the report of the investigation, the proposed discipline, all information submitted by the employee and the aggravating factors, i.e., prior discipline, seriousness of offense, or mitigating factors.

The process for investigating allegations of wrongdoing and referrals for disciplinary action for Foreign Service employees also has built-in protection for the rights of the employee. Until the investigation is completed, no basis exists for taking adverse action against the employee. This protects the employee against false allegations and accusations. Except in very unusual cases, the Foreign Service employee does continue to serve, to be assigned and evaluated, and to compete for promotion during the investigation. However, the Department does monitor the employee's assignment carefully during any investigation to ensure that the people's interest is preserved.

Once investigation finds potential wrongdoing, appropriate disciplinary actions are taken by the Bureau of Personnel. These range from admonition to suspension to termination, depending on the seriousness of the offense.

Mr. Chairman, I want to assure you that the State Department and all its career and political employees take visa malfeasance very seriously. We have procedures in place to handle accusations of malfeasance of consular officials, to investigate these cases and to take disciplinary action if necessary. At the same time, the Department has procedures to protect employees who have been wrongly accused.

We welcome this hearing. I think you can tell by the number of people and the expertise that I have here that we are ready to really answer any of the questions you have, to share with you how our operation is implemented, to tell you the steps we've taken to improve it, and to hear from you your ideas and questions. Thank you.

Mr. BURTON. Thank you, Ms. Cohen.

[The prepared statement of Ms. Cohen follows:]

**STATEMENT OF BONNIE R. COHEN
UNDER SECRETARY OF STATE FOR MANAGEMENT
U.S. HOUSE OF REPRESENTATIVES
COMMITTEE ON GOVERNMENT REFORM
JULY 29, 1999**

Mr. Chairman and Members of the Committee:

Thank you for the opportunity to appear before the committee today to discuss the Department of State's handling of the matter involving Charles Parish, who was Chief of the Non-Immigrant Visa section at Embassy Beijing from July 1994 to May 1996. We take every case of alleged wrongdoing by Department personnel very seriously, and I'm happy to tell you about our procedures for investigating such cases and about the Parish case in particular.

Your letter inviting me to this hearing inquired about the State Department's operating procedures for handling instances of consular malfeasance. I would like first to give you a larger perspective on the State Department's visa processing operations. Our Bureau of Consular Affairs (CA) officers worldwide adjudicated 7.4 million non-immigrant visas in 1998, including over 156,000 in Beijing.

In total, 29 allegations of wrongdoing by State Department employees worldwide were lodged with the Visa Fraud Branch of the Bureau of Diplomatic Security last year. Twelve of these involved American Foreign Service Officers. Of these, four investigations determined that there was no fraud, four remain active investigations, one did not meet Department of Justice prosecutorial guidelines, two were referred to other government agencies, and only one was referred to the Director General of Personnel for disciplining action. So I'm here to assure you that cases of Department of State personnel involved in consular malfeasance are minimal and also that they are pursued, as appropriate.

In cases where allegations of wrongdoing by government personnel do emerge, investigations are conducted by the men and women of Diplomatic Security, whose job it is to enforce the laws of the United States pertaining to U.S. visas. DS agents are trained law enforcement officers who have a handbook of codified procedures to follow in any investigation. The Department of State's Office of the Inspector General (OIG) also has an investigative role concerning all employee misconduct and DS and the OIG cooperate to ensure that the law is enforced. DS also works closely with the Bureau of Consular Affairs on cases involving employee corruption, attempted bribery of consular officers, and counterfeit issuances. Cases that implicate consular employees most often involve illegal activities designed to facilitate the travel of illegal aliens to the United States. DS maintains a three-pronged strategy of deterrence, enforcement, and education to maintain the integrity of the U.S. visa issuance program worldwide.

If an investigation of a consular employee by Diplomatic Security reveals misconduct, but Justice declines prosecution, the case is referred to the Office of Employee Relations in the Bureau of Personnel for action. That office reviews the information and drafts a proposal for discipline, which is reviewed by the Office of the Legal Adviser and the grievance staff for legal sufficiency. The proposal for discipline is sent to the employee for response and then forwarded to a senior Department official for decision. In making a decision, the deciding official takes into account the report of investigation, the proposed discipline, all information submitted by the employee, aggravating factors (e.g., prior discipline, seriousness of offense) and mitigating factors (e.g., first offense, good work record).

The processes for investigating allegations of wrongdoing and referral for disciplinary action for Foreign Service employees also have protections built in to protect the rights of the employee. Only those cases in which allegations are proven and supported by information gathered in the DS or OIG investigation are eventually referred to PER/ER for possible disciplinary action. Until the investigation is completed, no basis exists for

taking adverse action against the employee. This protects the employee against false allegations and accusations.

Except in very unusual cases, the foreign service employee continues to serve, be assigned, evaluated and compete for promotion during the investigation. The Department does monitor the employee's assignment carefully during any investigation to ensure that the government's interests are preserved if wrongdoing is found. Once the investigation finds potential wrongdoing, appropriate disciplinary actions are taken by the Bureau of Personnel. These range from admonition to suspension to termination depending on the seriousness of the offence.

The federal government aggressively pursued leads in the Charles Parish case. However, the investigation did not reveal criminal wrongdoing. Nor did the investigation find any basis for referral to the Bureau of Personnel for any further administrative action.

Mr. Chairman, the Department does not generally discuss in public the details of a personnel investigation in view of the Privacy Act. The Department is prepared to provide such details in this case because of the Committee's strong interest and in response to a specific request.

On April 30, 1996 Mr. Parish returned to post from a trip to the U.S. The next day, post management met with him to discuss the allegations of questionable conduct that had been made against him. On May 21, Mr. Parish submitted a request for immediate curtailment with which the post concurred.

Mr. Parish returned to Washington, where he was assigned to the Coordination Division of the Visa Office. The assignment officers in Personnel were familiar with the details of Mr. Parish's curtailment, and did not put him in a position where his alleged managerial weaknesses or his alleged tendency to befriend visa applicants would impact his job performance. Due to his consular background, Mr. Parish was assigned to assist in the

Visa Office. In his new position, Mr. Parish served as a liaison between Consular Officers and other U.S. Government agencies in Washington, such as the FBI, to determine the visa applicants' eligibility for a U.S. visa. His position was transparent in that he was not in daily contact with visa applicants, his work involved paper reviews of cases, he was closely supervised in daily work, and he did not have major managerial responsibilities similar to those in the Beijing position. As a matter of record, Mr. Parish performed in an excellent manner while assigned to the Visa Office. He continued working there without incident from July 1996 to September 1997. Subsequently he was assigned to the Bureau of Oceans, Environment, and Science from October 1997 until his retirement in May 1998.

Conclusion

Mr. Chairman, the State Department takes visa malfeasance very seriously. We have clear procedures in place to handle accusations of malfeasance by consular officials, to investigate these cases, and to take disciplinary action if necessary. These procedures were followed in the Parish case. At the same time, the Department also has procedures to protect employees who have been wrongly accused. Because Diplomatic Security's investigation of Mr. Parish did not reveal evidence of visa fraud, no referral for discipline was made.

This concludes my statement. I and the other panel members would be happy to answer any questions you may have.

Mr. BURTON. Mr. Schurman.

Mr. Schurman, do you have an opening statement?

Mr. SCHURMAN. I do not have an opening statement.

Mr. BURTON. That being the case, we will start the extended questioning. I will start by asking all of you, you talk about all of the things that you did. Did you get his bank records, any of you? Did you get Mr. Parish's bank records?

Mr. BERGIN. Diplomatic Security did not get his bank records, because in the view of the agents who were conducting the case, in consultation with the Assistant U.S. Attorney, the threshold for prosecutorial merit of the case, there was insufficient probable cause. So on the basis of that, there was no follow-on to request a subpoena from the magistrate.

Mr. BURTON. Do you have any idea how many bank accounts he had?

Mr. BERGIN. I do not, sir.

Mr. BURTON. Given all of these allegations, don't you think that it would have been wise to check into these things?

Mr. BERGIN. Yes, sir, but in the course of the criminal investigation, it was determined that there was insufficient probable cause.

Mr. BURTON. Who made the determination that there was insufficient probable cause?

Mr. BERGIN. That decision was made by the case agents involved in the investigation.

Mr. BURTON. For whom does the case agent work?

Mr. BERGIN. For the Chief of the Criminal Investigations Division.

Mr. BURTON. What division oversees that, is that the Justice Department?

Mr. BERGIN. No, sir, that is within DS.

Mr. BURTON. So this was a judgment call that there was not enough probable cause to check his bank records?

Mr. BERGIN. Yes, sir.

Mr. BURTON. Even though there were allegations in publications and in letter form that he was taking bribes?

Mr. BERGIN. Yes, sir, that is correct.

Mr. BURTON. What in the world do you need for probable cause? My goodness.

Ms. Williams-Bridgers, you can't answer anything. Are you aware of any information that the task force and the FBI have closed their investigation? Or are you aware that the Attorney General is—they are just waiting for her to finally close this case out?

Ms. WILLIAMS-BRIDGERS. Upon the concurrence of the Campaign Contribution Task Force lead attorneys, the FBI has closed its case on Mr. Parish.

Mr. BURTON. So the FBI has closed its case, and I understand that the task force has agreed with that; is that correct?

Ms. WILLIAMS-BRIDGERS. That's correct.

Mr. BURTON. So it is only awaiting the Attorney General's final determination, right?

Ms. WILLIAMS-BRIDGERS. I am not sure.

Mr. BURTON. Trust me. It is very clear that the Attorney General is holding this case open, and it has been pending for some time, and now they are hiding behind 6(e) and will not let the committee

talk to you because of 6(e). If that does not sound like an obstruction of information to the Congress and, I believe, an obstruction of justice, I don't know what is.

Did you get any bank records?

Ms. WILLIAMS-BRIDGERS. Respectfully, I cannot speak to the specific investigative steps that we may have taken during the course of the joint investigation.

Mr. BURTON. Because of 6(e)?

Ms. WILLIAMS-BRIDGERS. Yes.

Mr. BURTON. Because Janet Reno and the Justice Department says it is 6(e), even though the case by the task force and the FBI has been closed, and it is sent to the AG for the final disposition?

Ms. WILLIAMS-BRIDGERS. It is my understanding that the Chief Judge's opinion extends to disclosure of any information.

Mr. BURTON. I understand what you are saying. I wish the American people could hear what is going on around here. The Congress of the United States is being blocked by keeping cases open and hiding behind 6(e) because of Judge Johnson's decision and their interpretation of it, so we can't get information. I have 121 people that have taken the fifth amendment or fled the country, and many of them are hiding out in China.

Janet Reno must dislike me a lot, or she is working for somebody that she should not be working for. This is terrible.

Mr. Schurman, you served as a regional security officer at the Beijing Embassy, correct?

Mr. SCHURMAN. That is correct.

Mr. BURTON. As part of that job you were in charge of determining whether any of the Embassy's officers were breaking the law? You were supposed to look into that?

Mr. SCHURMAN. Yes.

Mr. BURTON. We know in April 1996 the Embassy commenced an investigation of Charles Parish. Can you tell us how your investigation started?

Mr. SCHURMAN. I received a call from the Deputy Chief of Mission to come to a meeting in his office. That basically started the inquiry into Mr. Parish.

Mr. BURTON. Is it not true that junior officers had been complaining about Mr. Parish, people who were under his control, and about him overstepping what decisions were made?

Mr. SCHURMAN. I am not aware—that is a fairly broad question. Had they complained to me about Mr. Parish; is that what the question is, sir?

Mr. BURTON. Yes.

Mr. SCHURMAN. No.

Mr. BURTON. Had they complained to anybody, to your knowledge?

Mr. SCHURMAN. I am not aware that they complained to anybody about—I mean, there were certainly—I am aware that there were complaints that Mr. Parish was easier than the other visa officers in terms of providing visas, but that was not necessarily a complaint of criminal activity.

Mr. BURTON. But if we brought junior officers in here, we would probably have some additional information, I am sure.

Did you ever hear any complaints about Mr. Parish before April 1996?

Mr. SCHURMAN. In terms of, he was easier to—getting a visa from Mr. Parish was supposed to be easier than the other officers.

Mr. BURTON. Did you hear that Mr. Parish was more likely to grant a visa to a young attractive woman than other candidates?

Mr. SCHURMAN. Yes.

Mr. BURTON. Did you see an article in a local Beijing magazine about the Embassy's nonimmigrant visa section?

Mr. SCHURMAN. No.

Mr. BURTON. Did you see that it contained a statement that it was easy to get a visa from Mr. Parish?

Mr. SCHURMAN. I didn't see that article. I don't read Chinese.

Mr. BURTON. Have you heard of the article?

Mr. SCHURMAN. Since then, yes.

Mr. BURTON. You were aware of the article?

Mr. SCHURMAN. Not at that time.

Mr. BURTON. Were you aware of it when you started your investigation?

Mr. SCHURMAN. Not at the start of the investigation.

Mr. BURTON. As the investigation progressed, were you aware of it?

Mr. SCHURMAN. Yes.

Mr. BURTON. Why didn't you start an investigation of Mr. Parish earlier based upon the information that you received about his activities?

Mr. SCHURMAN. Being easier in terms of giving visas is not an illegal activity.

Mr. BURTON. After the April 1996 meeting with Mr. Hallford and the Embassy's junior officers, you were ordered to investigate Mr. Parish; is that correct?

Mr. SCHURMAN. After the meeting with Mr. Hallford and the consul general, I prepared a telegram which I sent to Diplomatic Security. Based upon that telegram, Diplomatic Security opened a case. At that point, the official investigation began.

Mr. BURTON. Mr. Hallford was indicating that there should be an investigation? That is why you sent the wire?

Mr. SCHURMAN. Mr. Hallford—the primary purpose of the meeting was to discuss management, internal controls, and some of the ethics issues with Mr. Parish. After attending the meeting, I felt that I should prepare my perceptions from the meeting and send those to Diplomatic Security in a telegram.

Mr. BURTON. What triggered your feeling like that?

Mr. SCHURMAN. Because of the concerns about the ethical conduct of Mr. Parish.

Mr. BURTON. So they were discussed in that meeting?

Mr. SCHURMAN. Yes.

Mr. BURTON. After the April—now I want to talk about the destruction of documents. One of the first things that you did was seal Mr. Parish's office and change the locks.

Mr. SCHURMAN. That is correct.

Mr. BURTON. Why did you seal his office?

Mr. SCHURMAN. To ensure that if there were pieces of evidence in there, I would be able to get them and—

Mr. BURTON. And they would not be destroyed?

Mr. SCHURMAN. Or removed.

Mr. BURTON. Destroyed or removed; is that correct? You were protecting them because you didn't think that they should be destroyed or removed?

Mr. SCHURMAN. Headquarters directed me. Headquarters was running the investigation, and they asked me.

Mr. BURTON. If you seal an office, you are trying to protect the evidence?

Mr. SCHURMAN. Possibilities of evidence, yes, sir.

Mr. BURTON. So you want to make sure that no documents or evidence is destroyed; is that correct?

Mr. SCHURMAN. That is correct.

Mr. BURTON. Did you have an opportunity to review what Mr. Parish had in his office?

Mr. SCHURMAN. Yes, I did.

Mr. BURTON. Did he have a lot of documents?

Mr. SCHURMAN. Yes, there were a lot of documents in the office.

Mr. BURTON. How many?

Mr. SCHURMAN. Thousands.

Mr. BURTON. Thousands, OK. In fact he had so many documents in the office that you sent a cable to Diplomatic Security in Washington and asked them to send someone to help you review the material, right?

Mr. SCHURMAN. Yes.

Mr. BURTON. What was DS's response to your request for help?

Mr. SCHURMAN. They asked me for specific pieces of information, which I provided them.

Mr. BURTON. Did they send help?

Mr. SCHURMAN. No.

Mr. BURTON. Why not?

Mr. SCHURMAN. I can't answer that.

Mr. BURTON. Given that you had to do this investigation by yourself, were you able to review all of that material?

Mr. SCHURMAN. I spent probably in excess of 50 hours going through all of the material in the office.

Mr. BURTON. You went through every document?

Mr. SCHURMAN. At least on a cursory review, yes, sir.

Mr. BURTON. Did you look at them in any detail or did you just kind of shuffle through them?

Mr. SCHURMAN. Diplomatic Security gave me guidelines for looking through the material in the office, and that is basically what I did. I used those guidelines.

Mr. BURTON. Were you able to take an inventory of all of the materials?

Mr. SCHURMAN. No.

Mr. BURTON. It is my understanding that you destroyed most of the materials in Parish's offices and saved only several stacks of documents out of a whole room of documents. Why did you do that?

Mr. SCHURMAN. I did not destroy any document in the office. After going through all of the documents in the office, I had it sealed for about a month. The consulate wanted the office back because it is a very cramped office area; they really needed the space.

I had basically felt that I had been through everything in the office and found anything that was—could have been obvious evidence; and therefore, I turned it back over to the consulate. They cleaned out the office themselves. I did not destroy any documents.

Mr. BURTON. What do they do with the documents, do you know?

Mr. SCHURMAN. Any of the documents that were official, I understand they were going to file them. Anything else that they saw as unnecessary, they disposed of it in whatever way they wanted to.

Mr. BURTON. It is my understanding, when you talked to our staff, you told them you had not looked at all of the documents—when you talked to our staff prior to this hearing.

Mr. SCHURMAN. There were many files. Some of the files were basically brochures on companies. I reviewed the brochures and to the extent that I believed they were promotional information on Chinese companies. I didn't go through those documents in detail.

Mr. BURTON. Of course, Mr. Schurman, you know that you are under oath?

Mr. SCHURMAN. I understand.

Mr. BURTON. You told our staff you did not look at all of the documents. Did you look at all of the documents?

Mr. SCHURMAN. I looked at all of the documents, but not every detail of each document.

Mr. BURTON. So you did a cursory look?

Mr. SCHURMAN. Yes, sir.

Mr. BURTON. Now, when the documents were turned over to the Embassy, did you say anything to them that the documents should be kept secure because this was still an open investigation?

Mr. SCHURMAN. No, sir.

Mr. BURTON. So what happened to the documents?

Mr. SCHURMAN. They went into the normal files at the consulate.

Mr. BURTON. Are they still there?

Mr. SCHURMAN. It was the policy of the consulate to destroy visa application records after 1 year.

Mr. BURTON. Do you know if they were destroyed?

Mr. SCHURMAN. I don't know.

Mr. BURTON. So they may still be there?

Mr. SCHURMAN. I have no information on that.

Mr. BURTON. Do you think that maybe those should have been secured because the investigation was ongoing and there might have been something in there that was relevant to the investigation? I mean, you are making this judgment call all by yourself, and there were publications that said he was taking bribes and there were letters that said he was taking bribes.

Didn't you tell anybody that these documents ought to be kept in a storeroom someplace for further review?

Mr. SCHURMAN. I did not.

Mr. BURTON. Why?

Mr. SCHURMAN. I felt I had looked through the information.

Mr. BURTON. You just said you did a cursory look. If you just did that, why in the world would you not say I have not had time to go into these in detail, they ought to be stored because this investigation is not closed? Why?

Mr. BERGIN. As I mentioned in my statement, the focus of the investigation was on these two Chinese nationals, one, Ms. Zou—

Mr. BURTON. Wait a minute. You are saying that the focus of the investigation was on these two Chinese nationals, but the investigation was into Mr. Parish, and these documents were in Mr. Parish's office and they contained a lot of information regarding visas; and there was some question about whether or not he was taking bribes. Why would you allow these documents to be disposed of?

Mr. BERGIN. The instruction from Washington to Mr. Schurman was to go through this information and locate that information which Mr. Parish had in his office which was relevant to the relationships that he had with these two Chinese nationals.

Mr. BURTON. Why was it limited to just those two?

Mr. BERGIN. Sir, in my view, with 20/20 hindsight, this was not a model investigation.

Mr. BURTON. You have got a guy who is accused of wrongdoing. There is an investigation going on. There have been allegations about this in Chinese publications. It is pretty well known. There is a letter from Mr. Chen that says it is going on. It is no secret he had people who were subordinates who said there was something funny going on, and an investigation has started and you limit it to two people. I don't understand that.

Mr. BERGIN. We were reacting to the allegations stemming from the meeting that Mr. Schurman attended with Mr. Parish and the DCM regarding the—

Mr. BURTON. Two people. I understand it was regarding two people, but if he had hundreds and thousands of files in his office, wouldn't it be logical that there might be more? And if there were more, you should keep those files so they could be reviewed thoroughly before you closed that investigation?

Mr. BERGIN. Mr. Chairman, we did some things right and we could have done a lot better on other things.

Mr. BURTON. Who ordered from Washington that this be limited to those two individuals?

Mr. BERGIN. This was a judgment made by special agents within the Visa Fraud Branch.

Mr. BURTON. Who were the special agents who made this judgment?

Mr. BERGIN. Their names, sir?

Mr. BURTON. Yes. Who were they?

Mr. BERGIN. I would have to check, and I will get back with you.

Mr. BURTON. We would like that for the record.

Mr. BERGIN. The Visa Fraud Branch of Diplomatic Security today has 14 agents assigned to it. They have global responsibilities. In the case of Mr. Parish, in 1996, because of resources, there was one agent, one special agent assigned to all East Asia and Pacific.

Mr. BURTON. I don't want to get into that. I understand that they had a very heavy workload and it was very difficult.

Mr. BERGIN. If I can just put it in some context.

Mr. BURTON. You can, but make it limited.

Mr. BERGIN. This agent was responsible for a case in Seoul where he was TDY for 6 weeks. After that, he was assigned to the Olympics, and he was involved in that.

So what I am suggesting, sir, he was involved in a number of activities. Therefore, in terms of prioritizing of the case, it was de-

cided to narrow the focus to Mr. Parish's relationships with these two Chinese nationals.

Mr. BURTON. Well, in those stacks of documents which were in Mr. Parish's office, there was a credenza that was full of files regarding Chinese companies and also an extensive set of visa applications in his office. Those were probably destroyed as well.

Now if there was some evidence that he had been involved with two companies, and there were brochures and visa applications from other companies, why would you limit the investigation to those two and just shut the case down and send the boxes back to the Embassy?

Mr. SCHURMAN. In addition to removing the material specifically requested by DS, I went through and pulled out everything that might have some interest, and I retrieved those and put those in a box in my office.

At that point I felt I had gone through everything in sufficient detail. And as I say, I put a number of hours in there myself. My normal duties were basically taking up my full day, and I was spending nights and weekends doing this.

Mr. BURTON. Was it normal for an employee who worked in Beijing to have a bank account in Hong Kong?

Mr. SCHURMAN. Hong Kong was the medical evacuation point. It was the nearest sort of First World city to Beijing. So I know that a lot of members from the Embassy went down there on a regular basis. I don't know—

Mr. BURTON. When you went through the records, you found a bank account of Mr. Parish's in Hong Kong. You did not pursue that at all?

Mr. SCHURMAN. I looked at the paper itself. It looked like it was an insignificant amount of money, and therefore, I decided it was not anything that was out of the ordinary for somebody to have an account down there.

Mr. BURTON. I know it was an insignificant amount of money, but how did you know that he might not have had \$1 million in there the week before?

Mr. SCHURMAN. I didn't know that.

Mr. BURTON. But you put it in the box and it was destroyed, and so we don't have that bank account number. Here is a man who is accused of taking bribes, and all of the evidence that might be there is gone.

In retrospect, do you think that the statement of Mr. Parish's Hong Kong bank account might have been useful to see what kind of balances there might have been in there from time to time?

Mr. SCHURMAN. Possibly.

Mr. BURTON. There is another category of documents that have been destroyed, and the absence of these documents has harmed the committee's investigation. These are the Embassy's copies of visa applications processed by Mr. Parish.

The committee, along with the Inspector General's Office, asked the State Department to provide a list of all the visas approved by Mr. Parish. It turns out we cannot be provided with this list because all of the visa applications were destroyed pursuant to an Embassy policy of destroying old files after a year.

That was the policy, to destroy the old files after 1 year?

Mr. SCHURMAN. That is my understanding.

Mr. BURTON. So if there was bribery that took place, and the person got away with it for a year, the evidence would have been destroyed in due course. It would have just been destroyed as a matter of regular actions of the Embassy, correct?

Mr. SCHURMAN. Yes. I am not involved with the consulate's normal policy and their normal—

Mr. BURTON. Mr. Schurman, at the time the investigation was going on, didn't it occur to you to save the visa applications that he had processed? You are investigating a man for possible bribery, and you have visa applications and there are applications on record during that year that have been processed. Did it not occur to you to maybe save those visa applications just in case there might have been a bribe paid on one of those during that current year?

Mr. SCHURMAN. I saved all of the material that DS asked me to save, and then I saved a bunch of additional material.

The consulate that year processed something in the neighborhood of 125,000 visa applications. So I would assume that Mr. Parish had a reasonable percentage of those.

Mr. BURTON. I know, but don't they keep track of who approved visas for record purposes? They have some record that Mr. Parish or somebody approved it, don't they?

Mr. SCHURMAN. The OF-156 form, which is the application form, has a block on it for the individual, the officer who either approves or disapproves it.

Mr. BURTON. Did you not think maybe it would be advisable to pick out all of them for that current year, that had not yet been destroyed, with Mr. Parish's name on it—especially if a subordinate had maybe disapproved it, and he approved it later for some reason—and keep those with records so they could be reviewed when the case was open?

Mr. SCHURMAN. Diplomatic Security was basically running the case. If they had asked me to do that, I would have. I probably would have asked for the help to do it. That would have been a very significant undertaking.

Mr. BURTON. To find the ones with his name on?

Mr. SCHURMAN. Yes.

Mr. BURTON. Don't they have a computer that lists which ones were approved by each agent?

Mr. SCHURMAN. There were 125,000 processed that year. I would assume that Parish had 30,000 of those, if not more.

Mr. BURTON. So why would it have been so difficult to have those spit out and put into a box?

Ms. COHEN. Many of the committee members, especially Mr. Horn, are familiar with the computer capabilities in the past of the State Department; and there would have been no capability to spit out this kind of information. We have Mary Ryan here, who can address this in detail, but basically the State Department, with bipartisan support, has been investing in computer systems for the last 2 to 3 years.

Mr. BURTON. Let me ask you this. If you have a corrupt employee who is handling the visas and taking money, what you are telling me if they get away with it for a year, they have gotten away with it. And these visas are worth \$10- to \$20,000 on the street. So if

a person is pretty slick and they can get away with it for a year and the documents are destroyed, and they are sitting with a bank account in Hong Kong that nobody is checking on, is that what you are telling me, no check and balance?

Ms. COHEN. I am not saying that. All cases of visa malfeasance are taken very seriously. There has been increased training both for consular officers and for DS officers in the last couple of years. In addition, people have access to a line to the Inspector General to report these things themselves and we followup directly.

Mr. BURTON. Mr. Schurman, did you interview the junior officers in the nonimmigrant visa section as part of your investigation?

Mr. SCHURMAN. I did not formally interview anyone.

Mr. BURTON. Nobody?

Mr. SCHURMAN. Not formally.

Mr. BURTON. Did you talk to anybody?

Mr. SCHURMAN. Yes, sir.

Mr. BURTON. What did they say?

Mr. SCHURMAN. They basically had the same—told me the same things that they had told Scott Hallford.

Mr. BURTON. That was?

Mr. SCHURMAN. There were concerns that he was overriding some of the visas.

Mr. BURTON. Give me a few examples. Did they say it was because of a woman? Because she was pretty? Was it because of money?

Mr. SCHURMAN. As I remember it, as you said, there were complaints that he would more likely give a visa to a young pretty woman than someone else.

Mr. BURTON. OK. Did anybody ever say anything about money, that there with a suspicion that he took money for visas?

Mr. SCHURMAN. No.

Mr. BURTON. Nobody ever said that?

Mr. SCHURMAN. The visa officers, I do not recall them making that statement.

Mr. BURTON. When you were doing the investigation, did anybody say that there was a suspicion that he took money for visas?

Mr. SCHURMAN. The consul general and the other gentleman who was acting consul general, Dan Piccuta, both stated that they did not believe that he was taking money for visas.

Mr. BURTON. Were you aware that he took his secretary and another Chinese woman to Las Vegas and California, were you aware that a maid went into his room and said she saw \$10,000 lying on the bed, and that he was there at the expense of a company?

Do you know who paid for that room? Is it legal for a company to pay for those rooms? Isn't there a limitation on how much a Foreign Service Officer can take from a company?

Mr. SCHURMAN. The first part is—I was not aware of any of the information in Las Vegas. I was aware that he went with his secretary and another woman. That was reported in my first telegram back to the Department. I was not aware—nothing was reported—

Mr. BURTON. Did you find out who paid for their accommodations?

Mr. SCHURMAN. I asked Mr. Parish in the first meeting, and he said that he paid for his trip back there himself.

Mr. BURTON. Did anybody check to see if it was being paid for by one of the people who had been the beneficiaries of his visas?

Mr. SCHURMAN. I don't know if anybody checked or asked.

Mr. BURTON. Did you ask him about whether he had violated the Embassy's nonfraternization policy with Chinese?

Mr. SCHURMAN. Yes, I did.

Mr. BURTON. And what did he say?

Mr. SCHURMAN. He did not answer that question.

Mr. BURTON. You didn't pursue it? He just said that he wouldn't answer it?

Mr. SCHURMAN. I am not—he did not answer the question.

Mr. BURTON. When you interviewed him, did you talk to him about the gifts that he had received and the value of those gifts that were in his office?

Mr. SCHURMAN. Yes.

Mr. BURTON. Were they all under \$20?

Mr. SCHURMAN. No.

Mr. BURTON. Were they expensive?

Mr. SCHURMAN. Some were.

Mr. BURTON. How much?

Mr. SCHURMAN. The one I recall, there was a pair of cuff links from one of the local department stores, and it was in excess of \$200.

Mr. BURTON. After the interview, you and Mr. Hallford sent a cable back to Washington stating that you thought Mr. Parish was not accepting money for services. How did you come to that conclusion?

Mr. SCHURMAN. Would you repeat that, please.

Mr. BURTON. How did you come to the conclusion that Mr. Parish wasn't getting money? You wired back to Washington stating that you and Mr. Hallford thought that he was not accepting bribes for visas.

Mr. SCHURMAN. I don't recall stating that I thought that.

Mr. BURTON. Was there a cable sent back? Who sent the cable?

Mr. SCHURMAN. I originated all of the telegrams regarding the case from Beijing.

Mr. BURTON. But you never searched his apartment or bank records?

Mr. SCHURMAN. That's correct.

Mr. BURTON. I see that my time has expired.

Mr. Waxman.

Mr. WAXMAN. Thank you, Mr. Chairman.

As I listened to the chairman's questioning, it sounds like an autopsy of the investigation that took place, and perhaps we can learn, for the future, how to handle these kinds of investigations better.

Is it your position, each of you, that you tried to do your best, given the resources you had available, given the fact that you had to make some prioritization of all other things that you needed to do, but now that we look at it perhaps it wasn't a perfect investigation? Is that what we are hearing from all of you?

Mr. BERGIN. Yes, sir. I would say both the agents in Washington and Mr. Schurman acted completely in good faith.

Mr. WAXMAN. Let me ask you this. Were any punches pulled? Was there any kind of sinister interference by anyone to try to protect Mr. Parish, to try to hinder the investigation?

Mr. BERGIN. From my reading of the record of the case, absolutely none.

Mr. WAXMAN. Let me ask all of the other witnesses. Do any of you have any evidence or can you think of any kind of reason that more wasn't done in pursuing this investigation because of anything other than lack of resources?

Mr. SCHURMAN. No one attempted to interfere with my investigation. My impression was that many of the officers would have liked me to have found evidence, and if they had some, they would have presented it.

You are correct, there was no interference at all with the investigation.

Mr. WAXMAN. In hindsight we can talk—yes.

Ms. COHEN. I wasn't there at the time, but I have had the opportunity to look at this, and to remind everyone, this has now been investigated three times: first by Mr. Schurman in DS, then by the IG, and now by the FBI. To the best of my knowledge, no one has found any criminal activity, and I think the chairman alluded to that.

Obviously, we agree in hindsight that more could have been done, and perhaps more done more carefully. But we are in the process of addressing that.

We do have new leadership in DS, Peter Bergin. In addition, we have for the first time a security professional as the Assistant Secretary for Diplomatic Security.

Mr. WAXMAN. I think the best thing that we can do now is learn for the future.

Ms. WILLIAMS-BRIDGERS. Mr. Waxman, as the Under Secretary just mentioned, the Office of Inspector General conducted its investigation quite separate from that of the Bureau of Diplomatic Security and subsequent to the investigation by Diplomatic Security. And we pursued all viable leads and determined, in consultation with the Justice Department and the FBI, that there was no evidence to substantiate the allegations that we were pursuing.

Mr. WAXMAN. I know that. Did you find any evidence of anybody interfering with the investigation so that all of the evidence wouldn't come forward and that Mr. Parish was going to be protected?

Ms. WILLIAMS-BRIDGERS. I can say that no one interfered with the course of our investigation.

Mr. WAXMAN. That is just not on the radar screen of anyone who reviewed this investigation; is that correct?

Ms. WILLIAMS-BRIDGERS. I have not had any experience with interference with any investigation that we have conducted.

Mr. WAXMAN. You would think that the Diplomatic Security Service had nothing to do, but to devote all of its resources to investigating Charles Parish.

Mr. Schurman and Mr. Bergin, let me see what overseas diplomatic service personnel, and particularly a regional security officer,

might be responsible for doing. You manage all of the programs to protect State Department's facilities; isn't that right?

Mr. BERGIN. Correct.

Mr. WAXMAN. That means managing the security force and assessing threats by terrorists or others against the Embassy, consulate, and other buildings?

Mr. BERGIN. That is correct, sir.

Mr. WAXMAN. You are also responsible for protecting all of the State Department personnel from criminal or terrorist threats while they are abroad?

Mr. BERGIN. That is correct.

Mr. WAXMAN. And you are responsible for safeguarding all of the classified and sensitive information used by our diplomats every day in their work?

Mr. BERGIN. Yes, sir.

Mr. WAXMAN. And you are also responsible for conducting investigations into all allegations of visa and passport fraud; is that correct?

Mr. BERGIN. That is correct.

Mr. WAXMAN. And you serve as the principal adviser to the Ambassador on security matters; is that correct?

Mr. BERGIN. Yes, sir.

Mr. WAXMAN. That is obviously a lot of ground to cover and you have to make a lot of hard decisions as to allocating your time and resources; isn't that a fair statement?

Mr. BERGIN. Yes, sir.

Mr. WAXMAN. I am impressed to hear that for the whole world we have 14 investigators who look at, what, diplomatic visa fraud?

Mr. BERGIN. We have 14 agents in our Visa Fraud Branch, and their responsibility is global for every Embassy; and there are 200-plus Embassies and consulates around the world where visas and passports are issued, not to include the—

Mr. WAXMAN. Is there only one for East Asia?

Mr. BERGIN. Back in 1996, yes, that is correct.

Mr. WAXMAN. So it seems to me if you didn't have the resources, it is unfair to criticize you for not making this the highest priority. After all, we don't have any basis for letting you appoint a special prosecutor on Mr. Parish the way that we have special prosecutors sift through people's personal life for every possible wrongdoing, from the President of the United States to members of the Cabinet; and I hardly think an accusation against a person means that person ought to be investigated for every possible crime that he may have possibly committed.

Mr. BERGIN. Back in 1996, we had approximately 640 special agents who were responsible on a worldwide basis for all of those missions that we perform on behalf of the American public.

Today we are approaching 980, thanks to the Congress, thanks to Secretary Albright. In the aftermath of the East African bombings, we have been given 200 special agents, and their first mission is the protection of life. Protection of the integrity of our passports and visas is a corollary responsibility.

Mr. WAXMAN. I am pleased to hear that.

Now let's go back to this case, and now we are looking at how this case should have been a higher priority than everything else, and so there were more resources devoted to it.

In this case, you received information that a midlevel officer may have mismanaged his office and may have breached the State Department's Code of Ethical Conduct.

Mr. Schurman, you conducted an investigation into Mr. Parish's activities. Did you have unlimited time and resources to do that job?

Mr. SCHURMAN. No, I didn't.

Mr. WAXMAN. Do you think you and your superiors made reasonable decisions about the amount of investigative resources to put into this investigation?

Mr. SCHURMAN. Yes, sir.

Mr. WAXMAN. It wasn't just Mr. Schurman that was involved in this inquiry. It was Ambassador Sasser and his Deputy Chief of Mission, both of whom personally looked into the matter.

Ms. Cohen, would you say that our Embassy in China is one of our more important posts in the world?

Ms. COHEN. It is critically important.

Mr. WAXMAN. In addition to worrying about personnel matters, do the Ambassador and his DCM have to worry about a host of other issues, some of which impact our foreign policy interests?

Ms. COHEN. Absolutely.

Mr. WAXMAN. In addition to Mr. Parish, they were spending time thinking about most favored nation status, which was coming up for a vote, and thinking about the imminent transfer of Hong Kong to China's control. They were probably thinking about sanction decisions relating to China's sale of nuclear technology to Pakistan. And they might have been thinking about human rights issues, nonproliferation, global environmental issues, tensions between China and Taiwan, tensions between North and South Korea, and a whole host of issues which are very important to the United States; isn't that correct?

Ms. COHEN. Yes.

Mr. WAXMAN. In light of everything going on in the United States Embassy in Beijing, do you think that the State Department acted too slowly or was derelict in its responsibility in investigating Mr. Parish and resolving the accusations made against him?

Ms. COHEN. I think the State Department acted very promptly. Whether now, in hindsight, we need to tighten procedures or tighten training, which we have done, to make these kinds of investigations more thorough, we are looking at that.

Mr. WAXMAN. These hearings that we are having today, or this hearing today, arose out of Johnny Chung's testimony before the committee in May. Mr. Chung made allegations that some people told him information relating to Chinese attempts to influence our elections. He also said that he had some dealings with Mr. Parish. After hearing these allegations, our committee began to investigate Mr. Parish to see if he was connected with the Chinese plot to influence our elections.

Let me ask, are any of you aware of any evidence that the Chinese Government tried to influence our elections through Charles Parish?

Mr. SCHURMAN. I am not.

Ms. WILLIAMS-BRIDGERS. I am not.

Mr. BERGIN. I am not.

Ms. COHEN. I am not.

Mr. WAXMAN. The investigation did not even concern violations of our campaign fundraising laws at all, did it, that you conducted? In other words, did your investigations involve campaign finance laws?

Mr. SCHURMAN. No, mine did not.

Mr. WAXMAN. Did any of yours?

Mr. BERGIN. No, sir.

Mr. WAXMAN. The investigations by the Bureau of Diplomatic Security at the State Department and by the Office of Inspector General seem to have involved routine investigative decisions by career employees such as, who do you interview and when do you stop investigating; was everyone involved in the investigation at the State Department a career employee rather than a political appointee?

Mr. SCHURMAN. To my knowledge.

Mr. BERGIN. To my knowledge, yes, sir.

Ms. COHEN. Yes, sir.

Mr. WAXMAN. Are any of you aware of any attempt by any political appointee to stop or otherwise affect the investigation of Mr. Parish?

Mr. SCHURMAN. I am not.

Ms. WILLIAMS-BRIDGERS. I am not.

Mr. BERGIN. I am not aware.

Ms. COHEN. I am not aware.

Mr. WAXMAN. It seems to me what we have at this hearing is one particular case which may not be much of anything. It does not have to do with a Chinese plot to influence our elections. In fact, it does not appear to have anything to do with political fundraising. It seems to be about a routine investigation performed by the State Department and by its Inspector General, and whether you did enough in investigating what is a serious violation. If there were, in fact, bribes being taken by Mr. Parish, or anybody that works at Embassies, I would want it investigated, and it seems to me that you did what you thought was appropriate.

Now I have a few questions for Ms. Williams-Bridgers about the Inspector General's investigation. Do I understand that the Office of Inspector General opened an investigation into Mr. Parish's possible misconduct on January 22, 1998?

Ms. WILLIAMS-BRIDGERS. That's correct.

Mr. WAXMAN. And your agents conducted a number of interviews in the course of the investigation?

Ms. WILLIAMS-BRIDGERS. I cannot speak about specific investigative steps that we took during our Parish investigation, but it is normal practice for us to conduct numerous interviews.

Mr. WAXMAN. Did your office investigate jointly with the FBI and the INS?

Ms. WILLIAMS-BRIDGERS. We were engaged jointly with the FBI.

Mr. WAXMAN. And your investigators joined with the FBI to interview Johnny Chung; is that correct?

Ms. WILLIAMS-BRIDGERS. I cannot speak about any specific interviews that we conducted, sir.

Mr. WAXMAN. Is it the case your office closed the investigation on February 23, 1999, and concluded that "No evidence had been developed which substantiates criminal conduct by Parish in this matter. Since all logical leads have been completed with a negative result, no further investigative activity appears warranted,"?

Ms. WILLIAMS-BRIDGERS. Yes.

Mr. WAXMAN. Now the chairman has said that the Justice Department has not officially closed its investigation, and he is accusing the Justice Department about the motives of the Justice Department in not concluding their investigation. He says that he thinks that they don't want this committee to be able to do its job. Have you heard of any evidence that points to that conclusion?

Ms. WILLIAMS-BRIDGERS. The FBI has officially closed their investigation of Mr. Parish with the concurrence of the Campaign Contribution Task Force lead attorneys on this case.

I am sorry, was—

Mr. WAXMAN. The FBI has closed its investigation and the Justice Department still won't allow you to testify?

Ms. WILLIAMS-BRIDGERS. Because of their interpretation of the Chief Judge's opinion, which would consider any and all information collected during the course of the investigation as being 6(e) protected, meaning I should not disclose any of that information.

Mr. WAXMAN. If the Justice Department officially closed its investigation, does it have discretion in any way to allow you, even if the investigation were completed, to talk about 6(e) materials?

Ms. WILLIAMS-BRIDGERS. It is my understanding that the 6(e) protection extends indefinitely beyond the closure of the case.

Mr. WAXMAN. What is the reason for that? What is the rationale? I know that there is a court case that said that, but what is the rationale for a judge not allowing Congress to have grand jury information?

Ms. WILLIAMS-BRIDGERS. I am not in a position to answer that, but if the Chair indulges me, I would call upon OIG Counsel, Rick Reback, or we can provide that information for the record.

Mr. Chairman, Mr. Waxman has asked me a question that I am not able to respond to accurately. But if I can call—

Mr. BURTON. For the record, you are welcome to respond.

Mr. WAXMAN. Let me see if I can get the information another way.

The Justice Department advised you not to discuss the Parish matter because discussion could improperly disclose evidence taken from the Federal grand jury. My understanding is that these concerns aren't just the imaginings of the Justice Department, but are founded on rule 6(e) of the Federal Rules of Criminal Procedure and a ruling by Judge Norma Holloway-Johnson of the U.S. District Court for the District of Columbia.

We have heard Chairman Burton accuse the Attorney General of keeping a criminal case open on Mr. Parish just so the Inspector General would be barred from discussing grand jury material protected by rule 6(e). Rule 6(e) imposes a broad blanket of secrecy which under these circumstances can only be lifted by a court order and only then upon a strong showing of particularized need and the court's careful balancing of whether the interests served by dis-

closure will outweigh the interests in secrecy. The protection given by rule 6(e) does not end when a criminal investigation closes.

And so what we have here is a matter that is irrelevant for purposes of whether the Justice Department's investigation of Mr. Parish is open or closed; isn't that correct?

Ms. WILLIAMS-BRIDGERS. The guidance provided by the Justice Department attorneys reflected on their interpretation of the Chief Judge's opinion and not on the existence of the investigation.

Mr. WAXMAN. Well, we are committed to an oversight jurisdiction over the State Department, Justice Department, over the whole Government, and we want to be sure that our Government is doing everything that it should be doing, and if need be, we change the laws; if resources are needed, we provide additional resources.

It seems so strange that we are now taking on a congressional investigation of allegations against one man—serious—but that have been investigated three times and led to no criminal prosecution. And we bring him before a committee of Congress where he asserts his constitutional right, which he has an opportunity as an American citizen to do, and then you are brought before us and criticized in retrospect on what it appears that you have done properly, maybe not as completely and not as perfectly as it could have been done, but you had other things to do.

And so I guess the only thing that I can see of value in this hearing is to see if you have any recommendations on how future investigations should be conducted, given that we don't want to tolerate any corruption or wrongdoing.

Do any of you want to respond now, or perhaps we can leave the record open and have some further submissions to us? That seems to me to be the value of this hearing when all is said and done.

Ms. COHEN. I think that we all agree that is the value of the hearing, and we welcome the hearing on that basis. We have been evaluating our procedures. DS has been working with the Inspector General, and we welcome the opportunity to submit for the record the steps that we have taken and are taking and also would be glad to hear any additional suggestions you all have.

Thank you very much.

[The information referred to follows:]

INSERT

**TESTIMONY OF BONNIE R. COHEN
UNDER SECRETARY OF STATE FOR MANAGEMENT
BEFORE THE HOUSE COMMITTEE ON GOVERNMENT REFORM
JULY 29, 1999**

The Department of State has initiated a number of changes to our procedure for handling cases of alleged consular malfeasance.

- To ensure that the Bureau of Personnel (PER) and the Bureau of Consular Affairs (CA) are informed of ongoing employee investigations of consular malfeasance, we have established a working group from CA, the Bureau of Diplomatic Security (DS), and the Office of the Director General. The group, which meets at the level of Deputy Assistant Secretary, convenes on the fourth Monday of every month to review pending cases.

- DS has implemented new internal procedures to ensure that information developed in a criminal investigation is reviewed promptly by our personnel security staff for suspension and possible revocation of the suspected employee's security clearance. DS will also coordinate with PER to consider reassigning the suspected employee to non-sensitive duties pending resolution of criminal and administrative investigations, if appropriate.

- DS will strive to complete as expeditiously as possible all criminal malfeasance investigations within one year, recognizing that intervening factors such as federal criminal proceedings can cause delays.

Ms. WILLIAMS-BRIDGERS. I would be glad to submit our comments for the record.

Mr. WAXMAN. Do you know whether you need more resources to do the job and can you tell us how much more money you will need?

Ms. COHEN. I have said this in other forums.

This agency is strapped for resources on an operational basis. I am not talking about foreign policy investment, but the costs of operating around the world. We are certainly a great superpower, yet on an operational basis, our Department of State is underfunded.

Any of you who take a trip—and I know that some of you have, in the Dominican Republic or Haiti or China and have seen people waiting for visa services, know what I'm talking about. China is a good example; people were storming the Embassy in China and we only have a 10-foot setback. We are on record looking for more resources, particularly for security operations. We are very appreciative of the bipartisan support that we got for the emergency security supplemental this summer, but that is only a start in rebuilding the infrastructure of this department.

Mr. WAXMAN. I think if Congress is going to call you in to respond to the job that you have done, and then does not take seriously the requests for additional resources so you can do the job, I think that is somewhat hypocritical.

And none of us wants to see any kind of corruption go on in our Embassies. We know that you have a lot of responsibilities, sometimes including taking care of Congressmen when we travel officially to meet with people. I think that is an appropriate function for Members of Congress in doing our job, but certainly it doesn't seem fair to ask you to do everything and then not give you the resources to do what is important to be done.

One last question: Do any of you think that we ought to look into the idea of having an unlimited special prosecutor investigate anybody who is accused of any offense, such as those offenses that were alleged against Mr. Parish? Do you think that makes sense?

Ms. Williams-Bridgers, you are a prosecutor.

Ms. WILLIAMS-BRIDGERS. No, I am not an attorney.

Mr. WAXMAN. Are any of you prosecutors? I guess you are not the right ones to ask.

Ms. COHEN. This is not in response to that question, but I think in this context it is helpful to know that allegations of visa fraud come up all the time. I think if you think about it, perhaps even where you are, people will say—will advertise or say that they can get visas because they know somebody. People overseas say they can get visas because they know somebody. It is a way for them to take advantage of something which is in very short supply.

We do investigate all accusations that come to our attention. We refer some to the IG. In addition, she gets words of allegations through her own channels. So we take them very seriously. But people like to portray themselves as connected to the visa system.

Mr. WAXMAN. I would imagine that when you have somebody who can make the decision whether you get a visa or not, that is an important decision. And if somebody who has that kind of discretion is corrupt, they can get bribes. That is why we need a whole way to make sure that we are checking on people.

Mr. BERGIN. Can I add something, Congressman? This particular hearing focuses on a Foreign Service Officer who allegedly made some bad decisions.

I had the very good fortune before taking this job of being the RSO in India, and had the privilege of working with a Foreign Service Officer, a consular officer by the name of James Waller, who worked closely with us on a visa fraud case in which a travel broker, using a foreign national employee of that consulate in Bombay as an intermediary, tried to bribe Mr. Waller to issue 31 visas for \$130,000. It took a nanosecond for him to report this bribe to the RSO in New Delhi. We acted swiftly and meaningfully and were able to encourage this travel broker to travel back to Galveston, TX, where she was interviewed and apprehended and arrested.

In India, we filtered through hundreds of allegations of visa fraud. These are very complex, complicated, time-consuming investigations. In many cases, we cannot get to the threshold that a crime was committed. Yes, there was an appearance of improprieties. And we have a relationship with the Director General of the Foreign Service to ensure that these improprieties are dealt with from a personnel perspective.

Mr. WAXMAN. I would hope that you can do everything possible to stop these improprieties from happening because it is a serious matter; but I have to tell you, from the perspective of a Member of Congress, in my time, I have had people come forward with immigrants in my District and act as if they can represent them to get me to do something that I would ordinarily do for anybody that lives in my district, and we try to make it clear that no one is to get compensation for the work that we do in our office.

We had a situation once where the caseworker received a gift from an immigrant family because they were so grateful and they thought that is what they were supposed to do. You have to be vigilant. Sometimes it is the culture where people think that they are supposed to pay as a way of showing appreciation or to get what they want, but this should not be tolerated by our Embassies or consulates or by our congressional offices or by the INS. The rules should be followed and apply to everybody.

The counsel for Mr. Parish wanted to make a statement and you properly ruled that he wouldn't be permitted to speak, but I want to submit for the record his statement.

Mr. BURTON. Without objection, so ordered.

[The information referred to follows:]

Statement of Counsel to Charles M. Parish

Mr. Chairman, my name is Ralph Martin. I represent Charles Parish in connection with this proceeding. Mr. Parish only last Thursday received the Committee's invitation to appear today. This is hardly sufficient notice. The Committee has indicated that it has heard or read outlandish allegations about Mr. Parish -- allegations to which Mr. Parish would under the proper circumstances like very much to respond. As the Committee knows, Mr. Parish in the past has fully cooperated with investigations conducted by both the State Department and the FBI. Nevertheless, given this Committee's recent public airing of unsubstantiated allegations regarding Mr. Parish, my client now must invoke the protection of the Constitution.

Under these circumstances, I have advised my client that he has a Fifth Amendment right to decline to answer any questions before this Committee and that he should invoke that right at this time. He will do so.

it is improper to make a show or spectacle of a witness who will invoke his Constitutional rights. Opinions of many courts and both the D.C. Bar and the American Bar Association state that it is unethical to require a witness to invoke his privilege publicly after being informed that he will do so. Therefore, I request that Mr. Parish be excused at this time.

Mr. WAXMAN. Let me just ask any of you, is there anything else that you want to add to the subject matter that is before this committee today on this hearing that you haven't had a chance to talk about?

Ms. WILLIAMS-BRIDGERS. No.

Ms. COHEN. Well, at the risk of overstaying my opportunity to talk, again, having been there only 2 years, the people who apply to the Foreign Service, who get selected, who dedicate themselves to this career are extraordinary. Everyone is required to do 2 years overseas in consular duty, and they are extraordinarily dedicated to serving both America and to serving the communities in which they find themselves.

I think an example of that is the consular official—again in China, which seems to figure large these days—who in the midst of the attacks on the American Embassy left the Embassy where she was, managed to get out with the records of Americans who were applying for adoptions of Chinese children and were waiting in hotels in China with these children, and processed them even as the attacks on the Embassy continued.

So while there are allegations, and they all have to be investigated, we have a very dedicated group of people joining the Foreign Service.

Mr. WAXMAN. I think we all appreciate that and the chairman made that comment, as well, in his opening statement. He knows that most of our Foreign Service personnel all around the world do a great deal of service to our country and we do appreciate it.

We need to hear from you your recommendations on how we can help them do their job better. And if there is a problem, help you do the job of dealing with those problems and investigating properly and prosecuting, if necessary, anybody who has acted corruptly.

Mr. Chairman, I yield back the balance of my time.

Mr. BURTON. Mr. Horn.

Mr. HORN. Thank you very much, Mr. Chairman.

I have been interested in the discussion so far. Let me try to get a few things straight in my own mind.

Mr. Schurman, in the investigation of the office of Mr. Parish, were the records all written in English or were there also Chinese notations? Because we do have native personnel in every Embassy in the world and not everybody can know the language. What did you find on those records? Were the records in English or were the records in Chinese, yes or no?

Mr. SCHURMAN. The official records, the official application, has both English and Chinese on it.

Mr. HORN. What you were looking for, what kind of records did they have, were they all in English or Chinese or a mixture thereof?

Mr. SCHURMAN. Since I didn't speak Chinese, I would have to say I was looking for anything in English.

Mr. HORN. Did anybody translate what was on the documents, whether they are just notations or not, of Chinese? You can't read Chinese characters?

Mr. SCHURMAN. That is correct. No one came in.

Mr. HORN. So you couldn't look at the cards that were being kept or the visa applications and—they were not all in English; is that correct?

Mr. SCHURMAN. That is correct.

Mr. HORN. Why didn't you get somebody that could read Chinese to help you with that?

Well, it is just obvious. You are looking like a blind man at the cards and you don't know what is there, and I don't see how you can even do an investigation.

Mr. BERGIN. Sir, if I may add, the official forms, the 156s, they are in English. Those are the official applications for a visa.

Mr. HORN. And you feel that by going through those in just the English part, you are going to find out whether Mr. Parish has done what he has been accused of or not?

Well, Mr. Chairman—either you do or you don't. You are telling me all you did was look at was the English part of the record?

Mr. SCHURMAN. I looked at both the official records and other documents in that office. I would say there were numerous documents.

Mr. HORN. What was the date that you looked into that office, do you remember the date?

Mr. SCHURMAN. Not specifically, but it was between—toward the end of May 1996, to the end of June 1996.

Mr. HORN. Do you have available there exhibit CP-29, and if we can put that on the screen. That is a memorandum from the political officer at the Embassy in Beijing to the Deputy Chief of Mission, the person who is acting in lieu of the Ambassador often when the Ambassador is away on travel. Do you know at the time who was the DCM for our Embassy there? It is redacted out on my copy.

Let me just read the text of this. "At a May 30 dinner in Qingdao, hosted by the local foreign affairs office," that was our people,

the political officer was told by Chinese officials, as well as local Chinese businessman, that "everyone knew" that it was "very easy" to get a nonimmigrant visa from the U.S. Embassy in Beijing. The Chinese said if you anticipated that you might have difficulty in obtaining a visa—for instance, you were applying for a visa allowing you to work in the United States, but you did not speak English—you simply took "the black official" in the Embassy to dinner, gave him a gift and you were guaranteed a visa.

The next paragraph,

Responding to a question, a Qingdao Foreign Affairs Office representative said he had first learned of this "procedure" over a year ago when he was living in Los Angeles. He stated that at that time he had met "many" obviously unqualified Chinese people who, "he was surprised to learn," had been issued PRC passports. He commented that he was even more amazed, however, that the U.S. Government had issued these people visas. According to the official, it should have been obvious that these people were not qualified for certain types of visas which would normally go to trained business people or scholars. He reportedly questioned a number of these people as to how they were able to obtain U.S. visas and was told about "the black official," at the consular section in the U.S. Embassy in Beijing.

Now, did you see that memo at all?

Mr. SCHURMAN. I don't recall this memo.

Mr. HORN. Did anybody here at the top end in Washington?

Did you ever see that, Mr. Bergin?

Mr. BERGIN. This is the first time I have seen this, sir.

Mr. HORN. What I am waiting for, and I finally got a little bit of it, enough for a little finger, where is the outrage by the people in charge of the Department of State? I am outraged and I don't need some Justice Department attorney or somebody else telling me. If I had been there, that person would have been out of there so fast that they wouldn't have known what hit them.

Now, if you have allegations of \$10,000 on beds in Las Vegas and all of that nonsense, it seems to me that you move fast and you get them out, whether they are stealing \$10 or \$10,000.

Mr. BERGIN. Yes. Congressman, this memo is dated June 5. I believe that Charles Parish departed post May 30 or 31, about a week in advance.

Mr. HORN. Well, here then the Embassy finally finds out that they are the laughingstock of China by other Chinese who openly tell our own Embassy personnel in Qingdao what is going on.

Then it seems to me, Mr. Schurman, you have got to make awful sure those records are kept somewhere, and it looks like nobody did. And I realize it is face and all that bureaucratic nonsense, but if you have got somebody that is demeaning the United States and demeaning their office after they take an oath and are a Foreign Service Officer—I assume Mr. Parish was a Foreign Service Officer?

Mr. SCHURMAN. That's correct.

Mr. HORN. OK. What rank was he as a Foreign Service Officer? Does anybody know?

Mr. GNEHM. He's a 2.

Mr. HORN. He's a 2, OK. And he was sort of in that consular phase all new Foreign Service Officers are assigned to or what—or was that his permanent station?

Mr. SCHURMAN. He was Chief of the Visa Section.

Mr. GNEHM. Sir, he was a consular officer within the terms of the personnel system.

Mr. HORN. Well, you know, I look at you all, and I don't see any outrage by it, and it just upsets me, I want to tell you. I just wonder how much bureaucratic nonsense we can take like this, and State doesn't seem to be worried about it.

Sure, you don't have enough people. Fine. You have enough people to get a few people, and that is all you need to do in order to tune up the organization. There ought to have been—the 5 you had somewhere, or the 14, they ought to have descended on that Embassy to help.

I don't understand—I don't think you were around then, Ms. Cohen, but it just seems to me good management is dealing with these things, and that is why we have an Inspector General who can't talk now because of the judicial ruling, and that is why we have the General Accounting Office and a number of things to try to safeguard what people are sworn to do and uphold the laws of this land.

So, anyhow, I guess I would ask—none of you saw this memo, so I guess no outrage was from you, but you did know a number of things and allegations that were going on besides this memo. Are there any memos you are aware of about this time?

Mr. GNEHM. Mr. Congressman, I would like to express my outrage.

Mr. HORN. Yes.

Mr. GNEHM. I would like you to hear it from me, and I would like to have the chairman——

Mr. HORN. Yes.

Mr. GNEHM. I work every day of my life. I have been 31 years in the Foreign Service. I happen, thanks to the Secretary and the President and the Senate, to be Director General of the Foreign Service. I consider it my job, amongst many other things, to see that these kinds of things are dealt with.

In this particular case, what I would say to you is, it isn't always—and this is I think the point you all were trying to make earlier—it doesn't have to be criminal to still be bad. In fact, our ethics regulations are quite clear about that, that perceptions are critically important in the kind of work we do as public servants. Unfortunately, I think, as the Under Secretary said, we don't have sufficient people. The numbers the Inspector General gave you——

Mr. HORN. I understand that, and I think you ought to get at that point in the record what resources you have asked for, where has it been chopped, either at the Secretary, at OMB, the President, Congress, wherever, let us get it in the record.

Mr. GNEHM. I wanted to respond particularly to the point that there is a mechanism that a Chief of Mission has to remove an officer that is not performing or is creating a problem, particularly even a perceptual, public problem, and he exercised that in this case.

Mr. HORN. Yes. This Deputy Chief of Mission at least knew about it around June 5th, might have known a bit earlier.

Well, let me move on here because time is limited.

Diplomatic Security began its investigation of Mr. Parish about the same time, as I noted, as this memo, and then Mr. Schurman informed the committee that when he was starting his investigation he requested help from Diplomatic Security to conduct his investigation. He was told that DS refused to send anyone to Beijing. Why did DS refuse to assist him in the investigation?

Mr. BERGIN. That's a very fair question. I think sir, there were judgments made that the information that Diplomatic Security in Washington needed could be obtained by the RSO there with the assistance of the assistant RSO. Given that, they would make a determination to provide Don Schurman additional support if needed beyond that. They believed at the time that the RSO and his assistant could carry out these functions, and that they would later be able to re-evaluate the need for augmentation for Don.

Mr. HORN. Well, let me ask you, is it accurate to say that your investigation focused on a company called Kwan Hau International and several related companies in New York and whether they were legitimate sponsors of visa applications?

Mr. BERGIN. That is my understanding, yes, sir.

Mr. HORN. OK. Did Diplomatic Security investigate the allegations relating to whether Mr. Parish had received gratuities from, do we pronounce it COFCO or BNU?

Mr. BERGIN. COFCO. I'm not aware of those companies, sir, no. The only two companies that I'm aware of, Congressman, are Bright City International and Guang Hua.

Mr. BURTON. The gentleman's time has expired. We will give you more time, but let me just followup on that.

It is my understanding that there were 3 or 4 weeks in a row that Mr. Parish was in the United States in Las Vegas, Los Angeles, I think Texas and some other places, and his expenses were paid by COFCO. From what I have heard today, nobody has mentioned that. We are talking about thousands and thousands of dollars of expenses paid. He had two women with him, one his girlfriend and one his secretary. We don't know who paid their expenses. He said he paid his own travel expenses.

I don't know that anybody has checked that out. Has anyone checked that out, to see if he paid? Did he have receipts for that? Did you check to find out if he paid his own way or did COFCO pay that? Because flying from the Orient to all these places, staying at posh places, and allegedly \$10,000 on the bed is a pretty good chunk of money. It seems to me that should have been an integral part of the investigation.

Let me now yield to Mr. Hutchinson.

Mr. HUTCHINSON. Thank you, Mr. Chairman. I also want to identify with the remarks of Mr. Horn, who expressed his outrage, and I am delighted that raised a response anyway.

I understand there are limited resources, but the problem with limited resources is that you are unable to investigate everything. In this case, you zeroed in on someone who had very serious allegations, and generally you are able to focus resources at that particular point.

So I have been a Federal prosecutor. I know how to deal with limited resources. I know that there are only certain cases you can investigate. But when you zero in, you finish the job, and you do it right, particularly whenever there are such serious allegations. So I know some of you weren't even around then, but this is very, very disturbing whenever you see so many people who are seeking visas and the fairness of that process, particularly whenever you are dealing with our American citizens that are administrating that process.

Now, Ms. Bridgers, you indicated in your testimony that you submitted to the Department of Justice an advance copy of your testimony in which they objected to the testimony because, under their impression of Judge Johnson's decision, it violated rule 6(e). Is that something you always do, is submit your testimony before a committee of the Department of Justice?

Ms. WILLIAMS-BRIDGERS. No, it's not routine, but in this case, because it was a joint investigation, we thought it prudent to share our testimony with our partners.

Mr. HUTCHINSON. So it was not required?

Ms. WILLIAMS-BRIDGERS. It's not required, but actually, under the IG community standards of conducting our work, it is prudent that we share our testimony with all parties that might be affected by public disclosure.

Mr. HUTCHINSON. Well, whenever they objected, did you consider going to Judge Johnson or asking the Department of Justice to go to Judge Johnson to get a release from 6(e)?

Ms. WILLIAMS-BRIDGERS. In fact, we do intend to pursue further clarification of the interpretation by the Department of Justice, but

time certainly did not permit it for this hearing, given that my conversation with Justice attorneys was at 12 noon yesterday.

Mr. HUTCHINSON. So it is your intention to pursue a release from 6(e) so that you can provide your testimony to us?

Ms. WILLIAMS-BRIDGERS. It's my intention to pursue clarification of the interpretation of the Chief Judge's opinion.

Mr. HUTCHINSON. How are you going to do that?

Ms. WILLIAMS-BRIDGERS. I will be working with my counsel and the Department of Justice and the Chief Judge to pursue an appropriate course of action.

Mr. HUTCHINSON. Well, let me just say that I think that is an extraordinarily broad interpretation of rule 6(e). That is not appropriate, that is not the intent of rule 6(e), and I think that whenever you are looking at testimony that would be totally appropriate before this body, I think it should be re-examined.

I think that you can re-examine the opinion. I think you can testify without any problem of violating rule 6(e). But, second, if you did reach that conclusion, you need to go back to Judge Johnson and get a release from it because that is an extraordinary implementation of rule 6(e) that hampers our legitimate work that we are doing.

Now, I want to understand, your agency, OIG, you have administration subpoena power, do you not?

Ms. WILLIAMS-BRIDGERS. Yes, we do, sir, via an IG subpoena.

Mr. HUTCHINSON. And so you don't have to go to a Federal grand jury in order to issue a subpoena.

Ms. WILLIAMS-BRIDGERS. That is correct, but in this instance, since the Department of Justice was the lead, we were following their instruction and guidance, and it was being conducted under the Campaign Contribution Task Force. We adhered to their guidance in this case. And, in fact, sir, I might add that none of the information that our agents collected was pursuant to grand jury subpoenas. None of the interviews that my agents conducted alone were conducted under grand jury subpoena.

Mr. HUTCHINSON. You have a responsibility here, and you know, if you are going to share your work and decisionmaking with another agency you are, in essence, giving over to the Department of Justice all control that you have. And whenever you are dealing with a State Department employee that needs to be investigated—you know, this is troublesome to me. And, you know, I respect in many areas the Department of Justice, the work that they are doing, but I think they are flat wrong on some things, and in this case it doesn't look good.

Now, you have got independent subpoena power, and all the subpoenas you issued were not issued pursuant to a grand jury subpoena. It looks to me like you should have severed that investigation so it wouldn't hamper you and you can go ahead and pursue it.

Now, when did you become aware of the allegations of Johnny Chung?

Ms. WILLIAMS-BRIDGERS. The allegations that we first became aware of concerned Mr. Parish, and those allegations were brought to our attention by the inspectors in the Office of Inspector General

that were conducting a routine management inspection in the fall of 1997.

Mr. HUTCHINSON. Fall of 1997 you became aware of Johnny Chung's allegation in reference to Mr. Parish?

Ms. WILLIAMS-BRIDGERS. No, sir. We became aware of the allegations concerning Mr. Parish. The allegations concerning Mr. Chung were part of the larger investigation that I am not in a position to speak about.

Mr. HUTCHINSON. Well, is there any reason you cannot at this particular point in time conduct an independent IG investigation of the allegations that have been made against Mr. Parish?

Ms. WILLIAMS-BRIDGERS. We have conducted such an investigation.

Mr. HUTCHINSON. And you have determined there is not any evidence of criminal wrongdoing?

Ms. WILLIAMS-BRIDGERS. We closed our case because we found there was no evidence of wrongdoing as alleged.

Mr. HUTCHINSON. And that includes the allegations of Mr. Chung?

Ms. WILLIAMS-BRIDGERS. We did not investigate allegations against Mr. Chung.

Mr. HUTCHINSON. I am not saying against Mr. Chung, the allegations that Mr. Chung made in reference to Mr. Parish.

Ms. WILLIAMS-BRIDGERS. I cannot speak about the specific allegations that we investigated. I cannot provide you the details on the specific allegations that we investigated because that is what could be protected by rule 6(e).

Mr. HUTCHINSON. Let me make it clear that I don't want to prejudge any case, and I am not here to say that Mr. Parish committed any criminal acts. I wouldn't want to do that. I think everybody is entitled to a fair investigation.

But I did sit here and hear the testimony of Mr. Chung; and, as a former Federal prosecutor, I believe there is credible evidence of wrongdoing that has to be investigated. And, you know, for you to shut down an investigation and say there is not any sufficient evidence of wrongdoing that needs to be pursued, particularly even in an administrative standpoint, is amazing to me.

Now, if you eliminate the criminal wrongdoing, though, and just look at it from an administrative standpoint—because the IG has that responsibility as well, do you not?

Ms. WILLIAMS-BRIDGERS. That's correct, sir.

Mr. HUTCHINSON. And so you made the determination there is not any criminal wrongdoing. Have you made a determination there is not any basis for administrative action?

Ms. WILLIAMS-BRIDGERS. There was no basis for us to pursue an administrative investigation against Mr. Parish because he retired within 4 months of the start of our investigation.

Mr. HUTCHINSON. Which again makes no sense to me. This is something of public interest, it is a matter of integrity, it is a matter of all the other employees that work for the Department of State, and I think that, whether he is retired or not, you have a responsibility to get to the bottom of them and make a determination.

Ms. WILLIAMS-BRIDGERS. There is no avenue for us to provide a referral to the Department for them to take administrative action once a person terminates their employment from the Department of State. The only reason that we could pursue any allegations of wrongdoing against Mr. Parish is if they were criminal in nature.

Mr. HUTCHINSON. Well, that is an easy way out then.

OK. My time has expired.

Mr. BURTON. If you want more time for questioning, we will get back to you in just a minute.

You didn't investigate—you can't tell whether you investigated any of the allegations made by Mr. Chung.

Ms. WILLIAMS-BRIDGERS. That's correct, sir.

Mr. BURTON. And you can't tell us whether or not you investigated COFCO paying for all of his expenses when he came back to the United States with those two ladies?

Ms. WILLIAMS-BRIDGERS. That's correct.

Mr. BURTON. You can't even tell us if you looked into that?

Ms. WILLIAMS-BRIDGERS. I cannot.

Mr. BURTON. God, I hope everybody in the country is watching this. You have got the Congress of the United States trying to find out if somebody was giving visas to people who may have been involved in illegal campaign contributions or worse, and you can't tell the Congress of the United States anything about it, not because of grand jury material—because this wasn't done by a grand jury, was it? None of this—these were all your subpoenas and your investigation?

Ms. WILLIAMS-BRIDGERS. We did not issue any subpoenas in this instance, but, under Justice's interpretation, the information that we collected—

Mr. BURTON. I know, but the point is that there really was no grand jury involved.

Ms. WILLIAMS-BRIDGERS. There were grand jury subpoenas—excuse me. There was a grand jury impaneled under the campaign task force; and, therefore, that reaches into all information collected in the course of this joint investigation.

Mr. BURTON. But the investigation that you conducted had nothing to do with that grand jury.

Ms. WILLIAMS-BRIDGERS. The interviews conducted by our agents in our investigation were not subject to grand jury subpoena, that's correct.

Mr. BURTON. And so when you contacted the grand jury or when you contacted the Justice Department, you expanded, actually, those that were involved in your investigation because you really didn't have to contact the Justice Department, did you?

Ms. WILLIAMS-BRIDGERS. Yes.

Mr. BURTON. You did? Why did you have to contact the Justice Department?

Ms. WILLIAMS-BRIDGERS. We are obliged by law to make early consultation and coordination with the Department of Justice whenever we are investigating allegations of criminal wrongdoing, and we do that routinely on every case.

Mr. BURTON. And so, once you did that, then Justice said, well, this falls under the broad interpretation of 6(e)?

Ms. WILLIAMS-BRIDGERS. No. Once we did—once we did that, it fell within the Campaign Contribution Task Force, and then later, during the course of the investigation by FBI, a grand jury was impaneled.

Mr. BURTON. If the case were closed by Justice, the part of your investigation that had nothing to do with the grand jury, we could have?

Ms. WILLIAMS-BRIDGERS. I wish that were the case, but the FBI case is closed. Our case is closed and—and was closed as of February 1999, and the Justice Department told me yesterday that they still considered information that we collected as being potentially subject to 6(e).

Mr. BURTON. I think that we need to write a letter to Judge Johnson asking for a clarification of her interpretation of 6(e), because the Justice Department has made this so broad that they can obstruct anything Congress does. There is absolutely nothing we can do if Janet Reno says it is covered by grand jury or by 6(e). I mean, we have got to get an interpretation out of the judge some way to make sure that we have access. We have had 121 people take the fifth amendment or flee the country, Congress is impotent, we are impotent right now to do our job, and we represent the people of the United States. This has never been done in the history of the country that I know of.

Let me ask you a question. This is to Ms. Cohen. When Mr. Parish was sent back to Washington, as your staff has stated, he was under criminal investigation, correct?

Ms. COHEN. Yes.

Mr. BURTON. Yet he was immediately put into a very sensitive position involving visas for Iran and Iraq. Why?

Ms. COHEN. I really would like to have the opportunity to clarify that, because I think specific knowledge of what he was doing would help you understand the procedure that is followed when someone is brought back. So I would like Mary Ryan to answer that question since he was in her section.

Ms. RYAN. In the first place, I should say that the Bureau of Consular Affairs was not aware that he was under investigation for criminal activities. He had a full security clearance when he came to us.

Mr. BURTON. Excuse me for interrupting. A man is coming back from a post in China, he is under criminal investigation, and you didn't know about it, and therefore, he was put in this position?

Ms. RYAN. He had a—he had a full security clearance.

Mr. BURTON. Why were you not informed that he was under criminal investigation?

Ms. RYAN. I believe it was to protect his rights.

Mr. BURTON. And so because you were protecting his rights or his rights were being protected, he was put into another position regarding visas for Iran and Iraq in the office in Washington?

Ms. RYAN. He was put into the visa office. We had a congressional mandate to—we had to request—all of our posts overseas had to request advisory opinions of the visa office on every Iranian male over the age of 18.

Mr. BURTON. And he was making these advisory opinion decisions?

Ms. RYAN. He was canvassing the community who had an interest in these cases and answering the post. He had no direct involvement with the visa applicant. He had no—he had no way of doing—he had no discretion.

Mr. BURTON. Let me just followup on that. If he was canvassing people, what was he doing when he was canvassing people?

Ms. RYAN. He was asking the FBI, he was asking other agencies if they had any derogatory information on the man whose name was in the cable. The community would come back and say yes or no, and then he would answer the post and say we have derogatory information or we do not have derogatory information.

All the incoming cables went to all the agencies, and all of the responses went to all of the agencies, so it was totally transparent. Mr. Parish had no control whatsoever. He had no way of doing anything wrong, of giving an opinion that was not the opinion of the community.

Mr. BURTON. It just seems incredible to me that a man that is under criminal investigation is put in a position where he is perusing and checking with other agencies about criminal wrongdoing or possible criminal wrongdoing of people who are applying for visas and then giving a recommendation on that. It just boggles my mind.

Ms. RYAN. He wasn't giving a recommendation, Mr. Chairman. He was giving—he was giving the answer from the communities, the various agencies who had an interest in these cases, but he was not giving a recommendation.

Mr. BURTON. He was compiling the information.

Ms. RYAN. He was compiling the information from the agencies and telling the post what those agencies said.

Mr. BURTON. Whether or not these people may have been involved in some nefarious activity?

Ms. RYAN. That's right. Based on information that he got from those agencies.

Mr. BURTON. And he was under criminal investigation, and you didn't know about it?

Ms. RYAN. I did not know he was under criminal investigation.

Mr. BURTON. I am going to yield to my counsel now. I don't think there is going to be any objection.

Mr. WILSON. I apologize, I did not catch your name at the beginning.

Ms. RYAN. Ryan.

Mr. WILSON. Ms. Ryan, if I could just followup on that, you mentioned that there was no way that Mr. Parish could do anything wrong in the post that he was assigned once he came back to Washington. Did he have a security clearance?

Ms. RYAN. He had a full security clearance.

Mr. WILSON. OK. Is it not possible that he could have done something wrong by misusing government information?

Ms. RYAN. That's total speculation. I would not be able to speculate on that.

Mr. WILSON. My concern following up on that is you mentioned there was no way he could do anything wrong.

Ms. RYAN. There was no way he could do anything wrong in responding to those inquiries that came from the field on Iranian visa cases.

Mr. WILSON. But he had come back under a cloud of other ethical matters involving taking gratuities or bribes for visas. Would it not be possible that there could be some possibility of doing something wrong?

Ms. RYAN. It's too hypothetical for me, sir. I can't answer you.

Mr. WILSON. I'd like to followup on one thing.

If we could take a document, CP-1, please, and put that up on the screen, and if everybody could take a look at that in their documents. It's a document from a fundraiser held here in the United States. It's the very first document in the package. And if you look down in the second column of names, the bottom three names are Mr. Charles Parish, Ms. Fan Zhang, and Ms. Diana Douglas. And my question here is, we have been told that Mr. Parish attended a fundraiser that cost \$1,000 per person. He took his girlfriend and his sister to the fundraiser, and Diana Douglas is the sister. Mr. Johnny Chung apparently paid the \$1,000 admission fee for this fundraiser.

The question simply is this, are you all, and I will go down the line here, are you all aware of this document?

Mr. Schurman.

Mr. SCHURMAN. No, I am not.

Mr. WILSON. Mr. Bergin.

Mr. BERGIN. This is the first time I have seen it, sir.

Mr. WILSON. Ms. Cohen.

Ms. COHEN. No.

Mr. WILSON. Ms. Ryan.

Ms. RYAN. No. First time I have seen it, too.

Mr. WILSON. OK. Now, Ms. Williams-Bridgers, I would like to ask you the question. You mentioned that you had closed your investigation because you had found that nobody did anything wrong or that you were unable to find anything wrong. The simple question here would be, would it be acceptable to take a \$1,000 gratuity to attend a fundraiser?

Ms. WILLIAMS-BRIDGERS. Responding in generic terms, there is certainly consular guidance which suggests that there's impropriety in accepting gifts in excess of certain amounts from those who are potential visa applicants or with whom you are doing business.

Mr. WILSON. OK. Now are you aware of whether Mr. Parish did or did not provide a visa for Fan Zhang?

Ms. WILLIAMS-BRIDGERS. I can't answer that, given the grand jury protection.

Mr. WILSON. You can't answer it?

Ms. WILLIAMS-BRIDGERS. I can't answer.

Mr. WILSON. You can't answer it, but you're not telling me that you're not aware or you are aware?

Ms. WILLIAMS-BRIDGERS. I am not telling you that I am not aware.

Mr. WILSON. OK. Now, just speaking about this very generically as we are right here, would it be a matter of impropriety, a statutory violation if there was acceptance of a \$1,000 gratuity in this particular case?

Ms. WILLIAMS-BRIDGERS. I'm not certain that there would be a statutory violation. It would be a consideration of impropriety.

Mr. WILSON. OK. Now this is something that—and I will ask you this question—was or was it not taken into account in the closing out of your investigation?

Ms. WILLIAMS-BRIDGERS. I can't answer whether or not this information was taken into account.

Mr. WILSON. OK. Turning to the question of whether the gratuity was provided for people who were associated with Mr. Parish, was that something that was considered by you in determining whether there was an impropriety or not?

Ms. WILLIAMS-BRIDGERS. I cannot answer that question.

Mr. WILSON. OK. Turning to another matter, the issue of reporting contacts with Chinese citizens by Embassy officials, are you aware of whether Mr. Parish did or did not report this particular attendance at the fundraiser to Embassy officials?

Ms. WILLIAMS-BRIDGERS. I can't answer that question.

Mr. WILSON. Simply because you're not able to due to 6(e)?

Ms. WILLIAMS-BRIDGERS. Because of the 6(e) protection, that's correct.

Mr. WILSON. Let us just ask somebody else.

Mr. BERGIN, are you aware of whether the fact of the attendance was even reported to Embassy personnel in Beijing?

Mr. BERGIN. I'm not aware, but I defer to Don Schurman, the RSO.

Mr. WILSON. OK. Mr. Schurman, are you aware of even the fact of attendance at this expensive fundraiser?

Mr. SCHURMAN. I don't recall this being reported.

Mr. WILSON. OK. Turning to another subject, when Mr. Parish returned to Washington, DC, and assumed the position that he was given, it's our understanding from personnel records that he was given a series of raises; is that correct, Mr. Schurman?

Mr. SCHURMAN. I left Beijing in October 1997 so—

Mr. WILSON. Maybe Mr. Gnehm—and I thank you very much for coming back to the table. Perhaps you're aware of whether Mr. Parish was given raises when he returned to Washington, DC.

Mr. GNEHM. Sir, the year that he was serving in this job that you asked about earlier in CA, his performance file went before the promotion—Annual Promotion Board. That board did list him as a recipient for a step increase, called, in the system, meritorious step increase in salary, based on what was in his file at the time. I should tell you for the record, they're not under management control. The board is an independent board set up to make these decisions, and management has no authority over the decisions.

Mr. WILSON. Are you aware of how many raises Mr. Parish received from the time he returned from Beijing until the time he retired from the Foreign Service?

Mr. GNEHM. I'm aware of the one you asked me about. There may have been others, and I can check for you, but I wouldn't want to definitively say one way or the other.

Mr. WILSON. Thank you for that.

Mr. BERGIN, I just wanted to ask you a question. You mentioned in your statement a little while ago that when you served in India you describe what appeared to be a sting operation involving some-

body about whom there were allegations of impropriety. Was that ever considered as an option for Mr. Parish?

Mr. BERGIN. In conducting a visa fraud case, there are several steps.

First, you have to determine what is the credibility of the source? Is what the source is providing you valid? Is it something that's detailed, that's specific, that's precise, that would lead to us launching a full-blown investigation?

Then you have to determine to whom were the visas issued and can you identify those people? Because what you want to do in these cases is to be able to establish a relationship between the person who was given the visa—

Mr. WILSON. If I could just interrupt you there, are you telling us now that the visas issued in India were of greater sensitivity or consequence than the visas issued in China?

Mr. BERGIN. Not at all. Not at all.

Mr. WILSON. Then there's a difficulty there.

Mr. BERGIN. What I'm giving you is a generic sense of how you conduct these investigations; and in the case in India, we had very specific, very precise information. The consular officer volunteered to us, as soon as it happened, the information that he was being bribed.

In the case of Mr. Parish, there was a lot of information swirling around about improprieties, apparent improprieties, and the agents, when they were conducting this investigation, were not able to determine whether there was criminal substance to this swirling wave of allegations.

Mr. WILSON. Well, I think our concern, Mr. Bergin, is that when we have looked at the investigations, each sort of piece of each investigation looked at one piece of the puzzle, and when we scratched beneath the surface, we found many more issues that were easily obtained.

For example, allegations by the colleagues of Mr. Parish in this case, who were talking about the trading of visas that followed from personal relationships with women, acceptance of gratuities, and there were indeed gratuities that were easily obtained from his office. So there were certainly things that went beyond rank speculation.

Mr. BERGIN. I think that's fair, counsel. I would only remind the counsel of my statement earlier that this was not a model investigation; and, in retrospect, 20/20 hindsight, those consular officers should have been interviewed.

Mr. WILSON. I just wanted to followup on one other thing. In terms of Mr. Parish's tenure in Beijing, I think we have already learned that he had high security clearances during the entire time he was in Beijing. Are you aware of whether Mr. Parish was at the time receiving classified documents from the Department of Justice and the FBI about ongoing criminal investigations, Mr. Schurman?

Mr. SCHURMAN. I was not involved with that part of the consular operation.

Mr. WILSON. Well, now we can't get into the documents because they are classified, but these are documents that have been turned over from his own office. So did you review documents obtained

from Mr. Parish's office that were classified investigatory documents from the Department of Justice?

Mr. SCHURMAN. Mr. Parish's office was a common area, and so classified documents would not be kept in that area. I did not find any classified documents in his office space.

Mr. WILSON. Having just reviewed a number of them and gone through a number of issues with the Department of State over documents that were provided to us—in fact, they were provided to us in an open way, and we brought it to the Department of State's attention that they should have been classified. They had just been turned over to us in a box.

Mr. BURTON. Let me just interrupt here. Mr. Schurman, you said you looked at all these documents. Now, the documents that he is referring to were given to us by the Department of State, and in that box of documents were classified documents, and you just said there were no classified documents. So are you telling me that you looked at all the documents and you didn't see those classified documents? They were there. We got them.

Mr. SCHURMAN. I am not sure that the documents in that box all came from that office. But I will say that when I was going through the—

Mr. BURTON. The State Department said they did. The State Department sent us those documents.

Mr. WILSON. Perhaps if we could follow with Ms. Williams-Bridgers, I will ask the same question of you. Were you aware that Mr. Parish was privy to classified documents from the Department of Justice and the Federal Bureau of Investigation?

Ms. WILLIAMS-BRIDGERS. I can say that, in the course of Mr. Parish's business, he more than likely came in contact with classified documents; and I do believe that the documents that you're referring to were part of our collection of all documents from his office. They were included in the submission of documents that we provided to the committee.

Mr. WILSON. So they would have been in the universe of documents that Mr. Schurman had access to when he had done his investigation?

Ms. WILLIAMS-BRIDGERS. That's my understanding, yes.

Mr. WILSON. Actually, just one more point of clarification for Ms. Williams-Bridgers. As far as your negotiations with the Department of Justice go, with whom were you dealing over at the Department of Justice to come to the 6(e) determination that you arrived at?

Ms. WILLIAMS-BRIDGERS. I was dealing with attorneys out of the Attorney General's office.

But I should also add that I, too, am terribly concerned about the interpretation—the expansive interpretation the Department of Justice has given. It has implications not just for this case but for any other case in which grand jury subpoenas have been issued in the District of Columbia. And because we have just become aware of the expansive nature of this opinion, it has implications for how we have handled documents in the past related to other investigations. So I do intend to seek some additional clarification from the Office of Legal Counsel of the Department of Justice and, potentially, the Chief Judge.

Mr. WILSON. Thank you for that answer. If you could—just for the record's sake, if you could provide the names of the people you were working with at DOJ.

Ms. WILLIAMS-BRIDGERS. Yes, I can.

Mr. WILSON. If you could right now, that would be helpful.

Ms. WILLIAMS-BRIDGERS. I can provide it for the record.

Mr. WILSON. OK. Do you know them now? Are you able to tell us right now what they are?

Ms. WILLIAMS-BRIDGERS. I can't recall the last names of the individuals, I am sorry.

Mr. WILSON. OK. Fair enough.

Mr. BURTON. Does anyone with you have their name?

Ms. WILLIAMS-BRIDGERS. Craig Iscoe is the chief attorney that we dealt with.

Mr. BURTON. OK. Let me end up by saying this.

First of all, I am disappointed, Mr. Schurman, because you told us under oath that you looked at—did a cursory look at all these documents and there were no classified documents. Ms. Williams-Bridgers said that the documents that were turned over to us in the box came from his office. So you didn't look at all of them; and, if you did, you didn't look very well. And then all those documents were turned over to somebody else, and ultimately they were destroyed, and it was an ongoing investigation. This thing was botched, and it is just unbelievable.

I would just like to say to the State Department people, who in the future will be in charge of these investigations, for goodness sake, if there is an ongoing investigation and you lock up an office, don't burn up or destroy anything until the investigation is concluded. The Justice Department says this thing is still open, and a lot of the documents that might be relevant are gone, and Parish had classified documents in his office.

Now, the reason this is important, and you may think we have been unduly critical today, but the reason this is important is people were coming into this country that may have been involved in espionage, that may have gotten visas illegally, and the espionage that took place endangered every man, woman, and child in this country. They got nuclear secrets from Los Alamos and other nuclear laboratories, and we don't know what kind of connection there might have been. So a sloppy job could have led to all kinds of problems.

In addition to that, Johnny Chung was a main player in the conduit contributions that were coming in that affected the 1996 Presidential election; and he has stated that Mr. Ji, the head of the Chinese military intelligence, gave him \$300,000, along with other contributions that came in from Communist China, to affect our elections in this country. And if visas that were requested by Johnny Chung from Mr. Parish were bringing people in who were affecting our elections by giving illegal campaign contributions, then that is criminal, and to do a sloppy job on investigating Mr. Parish, who may have been involved in doing all this, is just unconscionable.

And I just tell you, I am really frustrated by this, because none of this should have happened. If you need more money, we will try to get it for you, if you need more personnel. We are not talking about Ireland. We are not talking about England. We are not talk-

ing about South America. We are talking about the biggest country in the world population-wise that is one of our potential major adversaries down the way, and they were getting illegal visas from a person who was involved in some nefarious activities, Mr. Chung, who is helping get those visas, at least that is what he said, and it is just unfortunate.

Ms. WILLIAMS-BRIDGERS. Mr. Chairman, may I just interject please and add one point of possible clarification?

For the documents that we received, the classified documents that we received, it is conceivable that they could have come from Diplomatic Security and not from—not necessarily from Mr. Parish's office. Because in our attempt to collect any and all documentation, we asked for all the contents from Mr. Parish's office as well as all DS investigative files and any other information that Mr. Parish may have had in his possession.

Mr. BURTON. Well, where would it have come from if it didn't come from his office?

Ms. WILLIAMS-BRIDGERS. Conceivably, it could have come from elsewhere outside of Mr. Parish's office at the Embassy or from Washington from the DS files. We asked for the collection of documents from DS. All of the contents of Mr. Parish's office in Embassy Beijing were sent first to DS in Washington, and then DS transmitted that information to us. So it is possible that classified information did not come from Mr. Parish's office.

Mr. BURTON. It is possible?

Ms. WILLIAMS-BRIDGERS. Yes.

Mr. BURTON. But you don't know that?

Mr. SCHURMAN. I did have classified files in Beijing, as well as the unclassified files, and I assume that when they asked for the files relating to Charles Parish in Beijing they give them both, both the materials that were out of my safe and the materials that were stored in a closet.

Mr. BURTON. So you had stuff in your safe relating to Charles Parish and classified material?

Mr. SCHURMAN. The official file was in the safe.

Mr. BURTON. And it had classified material in it?

Mr. SCHURMAN. That's correct.

Mr. WILSON. Relating to Charles Parish and some of the things he was doing?

Mr. SCHURMAN. That's correct.

Ms. COHEN. Mr. Chairman, if we're concluding, could I say a few things?

Mr. BURTON. Sure.

Ms. COHEN. Thank you very much. You did allude to the fact that it's difficult to come up here to testify, but I think nonetheless it's important. We recognize that this committee is performing an important function, and it does help to have us review what we have done to find weaknesses in what we've done and improve. We have tried to do that, and we will continue to try to do that.

I want to correct, I think, two impressions that we might have left. The first concerns our limited resources. I never meant to imply, and I don't think I did imply, that limited resources ever justify not doing a very thorough job in an investigation, and I think we would all agree here that procedures needed to be tight-

ened. We're in the process of tightening them. We need additional resources, but when we find a problem, we are prepared to direct resources to deal with it.

The final point I'd like to make is as to whether or not we're all outraged. Again, I have only been there 2 years but in those 2 years, I have not found an instance where people have been accused of something that their fellow workers and the people who are investigating it and really everyone who knows about it are not outraged. It would be the same thing as if someone were investigating a Congressman or a member of somebody's staff. It casts aspersions on everyone, and it's been my impression that the State Department is outraged when one of their fellow workers is involved in something like this, and the Department does its best to clean it up and improve it.

Mr. BURTON. Well, let me conclude by saying I appreciate you all being here and that we in the Congress believe that 99.9 percent of the people who serve this country at home and abroad do an outstanding job. It is that one-tenth of 1 percent that we are talking about, and in this particular case, it was in a very sensitive area, in China, and it is really unfortunate that happened.

I would just urge you, though, in the future if there is an ongoing criminal investigation of anybody, if you need to store the documents and you can't find a place for them, call me. We will find a place to store the documents. Don't destroy documents or anything that is potential evidence until the case is closed.

And, with that, I want to thank you for being here. We stand adjourned.

[Whereupon, at 1:45 p.m., the committee was adjourned.]

[The two majority staff reports and exhibits referred to follow:]

MISTAKES MADE IN THE INVESTIGATION OF CHARLES PARISH

MAJORITY STAFF REPORT COMMITTEE ON GOVERNMENT REFORM

The Committee has learned that the investigation of Charles Parish was severely mishandled by every agency involved in it. Four different entities investigated Parish: (1) the Regional Security Officer at the Beijing Embassy; (2) The Diplomatic Security Service at the State Department; (3) the State Department Inspector General; and (4) the FBI. Complaints were first made about Parish shortly after his arrival in Beijing in July 1994, and continued for 16 months until an investigation of Parish was finally commenced. The investigation of Parish at the Embassy was then badly botched. The Regional Security Officer failed to preserve most of the key documents, and failed to speak to key witnesses. Then, when the State Department's Diplomatic Security Service ("DS") began an investigation of Parish in the United States in 1996, it failed to investigate many of the key allegations against Parish. Finally, Parish was investigated again by the State Department's Inspector General ("OIG") and the FBI in 1998. It appears that the Inspector General failed to interview many key witnesses or investigate the key leads to see if Parish committed visa fraud.

As a result of the failure to aggressively investigate Parish, he was neither disciplined nor fired. Instead, he was returned to Washington for additional sensitive assignments, given a merit pay raise, and allowed to retire with a full pension in 1998.

I. COMPLAINTS WERE MADE ABOUT PARISH FOR 16 MONTHS BEFORE ANY ACTION WAS TAKEN

The Committee has learned that there were many complaints about Charles Parish's handling of visa applications, dating back to even before Parish arrived at the Beijing Embassy. These serious complaints were never acted upon by the Embassy, allowing Parish to mismanage the visa section for over a year. Finally, in April 1996, the junior consular officers complained en masse at a dinner held by the Embassy's number two officer, the Deputy Chief of Mission, Scott Hallford. Hallford claims that this dinner was the first time that he heard any complaints about Parish, and responded by commencing an investigation of Parish.

A. Parish's Track Record Before Beijing

Documents produced to the Committee by the State Department indicate that Charles Parish had been under suspicion for visa fraud while serving as a visa officer in Bangladesh and Nepal in the early 1990's. Many of the documents regarding these investigations are classified, so few details are available. However, it is clear that a number of allegations were made against Parish, but the charges were never proven, allowing Parish to receive a promotion to a sensitive position in Beijing.

B. Complaints By Junior Officers in Beijing

The Committee has interviewed several junior officers who served under Parish who told the Committee that they complained about Parish's conduct. Paul Horowitz, a junior officer who served under Parish, told us that complaints about Parish began shortly after Parish arrived in Beijing. Horowitz personally complained to the Consul General, Arturo Macias, in November of 1994, and likely complained to other Embassy personnel earlier. (Attachment 1.) Chris Hegadorn, another junior officer, confirmed that the junior officers lodged complaints about Parish with a number of supervisors in Beijing, including Macias, and the head of the American Citizen Services section, Dan Piccuta. (Attachment 2.) Mr. Horowitz stated that Parish tried to "crush anyone who complained" about him, and therefore, most of the junior officers tried to maneuver behind his back, rather than complain to Parish directly.

The complaints made by the junior officers generally consisted of the following:

- Parish frequently overturned junior officers' decisions to reject visa applicants without explanation.
- Parish kept original visa files in his office for unknown reasons.
- Parish accepted gifts from visa applicants.
- Parish issued visas to applicants from outside of Beijing's consular district, in violation of the Embassy's rules.
- Parish issued visas to unqualified individuals.

C. Chinese Magazine Article about Parish

In April 1996, the Beijing Chronicle published an article about the U.S. Embassy's visa section. (Attachment 3.) That article contained the following quote:

"How many times have you been here for the visa?" "Is it not easy during these days?" "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one."

Parish was the only black visa officer at the Embassy, and the article obviously referred to him. All of the officers at the Embassy were aware of the article, and knew that it referred to Parish. The Embassy's Regional Security Officer ("RSO") was also aware of it, but did not think that it merited investigation, as it alleged only leniency, and not outright criminal wrongdoing. However, in light of all of the allegations that were mounting about Parish, this kind of notoriety with the Beijing press certainly should have raised concern for the Embassy's security officer. Shortly after this article was published, the RSO did begin an investigation in response to the mass complaints by the junior officers to the Embassy's Deputy Chief of Mission.

D. Complaint Regarding Visa Fraud by David Chen

On September 28, 1995, David Chen of the Chinese-American Association in San Francisco wrote to Ambassador Sasser, and alleged that when he was in China, Chen learned that the Vice Consul at the Embassy was granting visas for bribes. (Attachment 4.) Chen alleged that the vice consul was receiving \$20,000-\$30,000 for a visa. It is unclear if this allegation refers to Parish, as his title was "Consul and First Secretary." However, Schurman told the Committee that there were never any other allegations of visa fraud against other visa officers in Beijing. The Embassy did not undertake any investigation as a result of the Chen letter.

E. Failure to Act by Parish's Superiors

It appears that Parish's superiors were aware of the complaints made about Parish's conduct, but they failed to undertake an investigation of Parish, or remove him from his position of responsibility. Paul Horowitz told us that Arturo Macias, Parish's direct superior, had a number of "closed-door" sessions with Parish, criticizing him for his management of the visa section. (Attachment 1.) We have also received one document from the State Department where Macias criticized Parish for issuing visas to a group of unqualified individuals. (Attachment 5.) Rather than remove Parish from his position of power, Macias tried to limit the damage that Parish was causing. Horowitz told Committee staff that by the end of Parish's tenure, he, Dan Piccuta, and Macias would meet to discuss how they could limit Parish's power. One of the changes that Macias made was to change the visa application form to require an explanation if Parish overturned a junior officer's decision to reject a visa application. However, neither Macias, nor any of Parish's other superiors, ever tried to initiate an investigation of Parish until April 1996.

Additionally, the RSO, Don Schurman, was aware of complaints regarding Parish. While being debriefed by Schurman, a visa officer who was leaving the Embassy stated that Parish was lenient in granting visas, especially to attractive young women. (Attachment 6.) Schurman heard this rumor elsewhere among Embassy personnel, and looked into Parish's conduct. In doing so, he learned about the Chinese magazine article as well. However, Schurman decided that because the visa process was so discretionary, he could not act on allegations of Parish's leniency toward young attractive women.

There is also documentary proof that Parish's superiors were aware of the allegations against Parish. At some point before the investigation actually started, Dan Piccuta, the head of American Citizen Services section, prepared a list of Parish's questionable activities. (Attachment 7.) When the investigation of Parish began, Don Schurman, the lead investigator, found that most of the charges against Parish had already been listed by Piccuta. However, they had not been passed on to Schurman at any earlier date.

All of these facts, rather than showing responsiveness by the State Department, show that Parish's superiors at the Embassy were aware that Parish was a problem, and

failed to take real action to stop them. Rather than forward the complaints for investigation, the Embassy's leadership tried to deal with Parish internally. This decision allowed Parish's mismanagement to continue unimpeded until April 1996, when an investigation was finally begun.

II. THE STATE DEPARTMENT'S INVESTIGATION WAS INADEQUATE

When the State Department did finally begin an investigation of Parish, it was fraught with mistakes. The State Department's investigation was conducted in two different phases: first, an investigation at the Embassy by the RSO; and second, an investigation in the United States by the Diplomatic Security Service.

A. The Investigation at the Embassy Was Inadequate

The investigation of Parish at the Embassy was initiated in April 1996, after the junior officers in the non-immigrant visa section complained en masse at a dinner held by the DCM, Scott Hallford. After the dinner, Hallford asked Don Schurman, the RSO, to start an investigation. As described below, Schurman made a number of critical mistakes during his investigation.

1. DS Failed to Provide Assistance

The first step that Schurman took in the investigation was to seal Charles Parish's office, and change the locks. Schurman then began reviewing the materials in Parish's office, and found that Parish kept a large number of files in his office. Parish had files on Chinese companies, a large number of duplicate visa applications that he had granted, a number of original visa applications, which he was not supposed to have, and correspondence and e-mail with Chinese individuals he had granted visas to. There was such a volume of materials that Schurman realized he would need assistance to conduct the investigation. He immediately sent a cable to Diplomatic Security in Washington, and asked that they send someone to assist him with the investigation. Diplomatic Security refused to send anyone. Schurman did not press the matter, and concluded that Diplomatic Security did not believe that Parish was a major problem. However, given the fact that no one had reviewed any documents or interviewed any witnesses relating to Parish, such a conclusion was obviously premature and unjustified.

Because of this decision by DS, Schurman was never able to review all of the materials in Parish's office. Schurman was responsible for a wide array of matters, including embassy security, counterintelligence, and American citizen security, and accordingly did not have time to conduct a full investigation. He spent several weekends and evenings in Parish's office, but never completed even a basic review of all of the materials in the office.

2. Destruction of Documents

While he did keep Parish's office sealed for several weeks, Schurman soon found that the Embassy's personnel wanted to use Parish's office. Therefore, Schurman decided to destroy most of the documents in Parish's office. Schurman saved only several stacks of documents that he found most relevant, and several gifts that Parish had received from Chinese citizens. Schurman destroyed the majority of documents in Parish's office, including most of his duplicate visa applications, correspondence, and files on Chinese companies. Schurman isn't certain if he had Diplomatic Security's permission before destroying these records. He told Committee staff that he "would like to think" that he asked for permission from Diplomatic Security in Washington before he destroyed the records. Schurman's main defense for destroying the records is that "the investigation appeared to be going nowhere." However, at the time that the records were destroyed, most of them had never been reviewed, and almost no witnesses had been interviewed. Therefore, it is difficult to discern the basis for Schurman's judgment regarding the progress of the investigation.

Moreover, Schurman never conducted an inventory or took photographs of the office. Therefore, future investigators have had no way of reconstructing the records or files that Parish kept. This has hampered the ability of investigators to determine why Parish was tracking certain visa recipients, or corresponding with certain individuals.

3. Hong Kong Bank Account

Among the documents destroyed by Mr. Schurman was a statement from a Hong Kong bank account held by Charles Parish. Schurman reviewed a bank statement from the account when he was searching Parish's office. Schurman conceded that it was odd for a visa officer in China to have a bank account in Hong Kong, however, he deemed it not to be of investigative value because the statement only indicated \$100 in the account. Therefore, Schurman destroyed the statement, and failed to keep any record of the account number. Schurman made no effort to determine why Parish held the account, or if it contained more money at other times.

4. Failure to Preserve Visa Applications

Due to space limitations, the Beijing Embassy retained original visa files for only one year after they were granted. When the investigation of Parish began, Schurman made no effort to determine which visas Parish had issued over the last year, or even more significantly, which visas Parish had issued over the objection of a junior officer. In addition, Schurman failed to halt the destruction of old visa files by the Embassy. Therefore, by May 1997, every visa file that had been handled by Charles Parish had been destroyed (with the exception of the small number of applications saved by Schurman), and it was impossible to recreate a list of visas issued by Parish. Such a list has been requested by several investigative bodies, including the OIG and the Committee, and the State Department has not been able to provide it.

5. No Search of Parish's Apartment

Another basic investigative step that the RSO failed to take was a search of Parish's apartment. It is possible that Parish kept gifts or cash at his apartment, but Schurman stated that it would be a "touchy" matter to carry out a search in Beijing.

6. Limited Witness Interviews

Schurman never conducted any formal interviews of the junior officers under Parish as part of the investigation. He believes that Dan Piccuta, the head of American Citizen Services, did "informally collect" the officers' complaints. However, Schurman's failure to conduct formal interviews of the main complainants against Parish is indicative of the sloppy investigation which he supervised.

7. Incomplete Interview of Charles Parish

As the culmination of his investigation, RSO Schurman interviewed Charles Parish. A summary of the interview was cabled to Washington (Attachment 8.) The following issues were covered with Parish:

- Parish was questioned about his trip to the U.S. with his secretary and a girlfriend, both Chinese citizens. Parish stated that he paid for his own ticket, but did not know how his companions paid for their tickets.
- Schurman reminded Parish of the Embassy's non-fraternization policy, which required all Embassy officers to report personal relationships with Chinese. Parish did not respond to Schurman's reminder.
- Schurman then asked Parish if he accepted any gifts of material value from any party that had interests before him. Parish stated that he had received gifts, but none of significant value. When asked about his visa issuances on behalf of the travel agency that hosted his birthday party, Parish claimed that he did not know that the individual who hosted his party had sponsored the visa requests.
- Parish was then asked about his relationships with other Chinese people. Parish stated that "he was no monk," but declined to answer whether he had ever had an intimate relationship with someone to whom he had issued a visa. (Later, Parish claimed that he did not answer this question because he did not want to discuss his personal life in front of a number of officers, and then admitted that he had an intimate relationship with one Chinese woman, but did not know if he had issued her a visa.)

After this interview, the Embassy concluded that Parish "was not accepting money for services. This would be difficult to prove or disprove given the past lack of controls and the high volume of visa actions." However, it is unclear how Hallford, Schurman, and

the other Embassy officials could reach this conclusion after their incomplete investigation, and cursory interview with Parish.

Even more critical though, it appears that Schurman limited his interview upon orders from Diplomatic Security in Washington. A cable from DS told Schurman that "the subject [Parish] should not be questioned in any way about his possible criminal activity. Any questions related to his possible criminal involvement could jeopardize a future prosecution. Headquarters' main concern is that the subject could claim that he was compelled to answer any question asked of him during the meeting." (See Attachment 9.) Accordingly, the interview was very limited, and failed to ask Parish the most difficult questions. Diplomatic Security's concerns that a future prosecution of Parish be preserved were baseless, as a serious investigation of Parish was never undertaken.

B. The Investigation by Diplomatic Security in the U.S. Was Too Narrow

After Schurman concluded his investigation at the Embassy, Ambassador Sasser reluctantly agreed to ask Parish to leave the Embassy and go back to Washington for reassignment. At the time that Parish was leaving the Embassy in May 1996, Diplomatic Security in Washington continued to conduct an investigation of Parish. This investigation, like the one conducted at the Embassy, was deeply flawed, and failed to examine a number of basic issues.

1. Focused Only on One Set of Companies

Diplomatic Security investigated allegations only relating to one set of related companies: Guang Hua International, Bright City International, Light City International, and Palm Coast Corp. It appears that DS did perform a relatively thorough investigation of these companies. They interviewed the principals of these companies, and were satisfied that they were legitimate companies. They also discovered that most of the individuals who came to the U.S. sponsored by these companies returned to China. However, these companies were only one small set of companies to which Parish issued visas. DS failed to investigate possible leads relating to a number of other companies. To a certain extent, this failure was caused by Schurman's destruction of relevant documents. After Schurman destroyed most of the documents in Parish's office, DS was deprived of a number of possible investigative leads.

However, there were a number of documents that were preserved that DS didn't even review. For example, documents were available to DS showing that Parish issued visas to groups sponsored by companies like BNU Corp., Velur Investments, LCP International Institute, SINOPEC, and others. Files were also preserved showing that Parish issued visas to a number of Chinese students, and then stayed in frequent contact with them once they arrived in the U.S. DS apparently failed to interview individuals at any of these companies, or speak to any of the individuals to whom Parish issued visas.

By failing to follow these available leads, DS may have missed obvious cases where Parish issued visas for improper considerations, and they may have also missed developing possible counterintelligence leads. For example, one of the major beneficiaries of Parish's largess, BNU, a Chinese-owned company in Phoenix, Arizona, has extensive ties with the Chinese military, including Robert Ma and Wang Jun, two figures believed to be involved in an illegal scheme to smuggle automatic weapons into the U.S.

2. DS Was Too Quick to Clear Parish

To the extent that Diplomatic Security did conduct an investigation, it appears to have been too quick to clear Parish. The DS investigation focused on showing that Guang Hua and the other companies to which Parish granted visas were legitimate businesses. DS also sought to show that all of the recipients of visas returned to China. As explained by DS staff, this gave them a comfort level that visa fraud had not occurred. However, legally, visa fraud has nothing to do with whether or not the recipient of the visa returns to China, or whether the sponsoring company is legitimate. Rather, the sole consideration is whether the visa was granted for improper reasons, such as the receipt of money or other favors. Diplomatic Security did not attempt to discover whether or not Parish's visa issuances for Guang Hua and related companies were the result of improper motives. Diplomatic Security could have tried to determine this by either reviewing Parish's bank records, or interviewing visa recipients.

3. Failure to Conduct Basic Investigative Steps

As indicated above, Diplomatic Security failed to take many basic investigative steps in the Parish case. Diplomatic Security failed to even review the limited materials that Schurman retrieved from Parish's office. Those materials stayed in Schurman's closet in Beijing until mid-1998, when they were requested by the State Department Inspector General's office.

DS also failed to interview many of the individuals involved in the Parish case. DS investigators did not interview junior officers who served under Parish, and they failed to interview any visa recipients or sponsors other than those affiliated with Guang Hua Inc., or related companies. Given the limited scope of the investigation, and the limited steps that were taken by DS, it is difficult to see how DS intended to prove a case of visa fraud.

C. At a Minimum, Personnel Action Should Have Been Taken

After Embassy personnel interviewed Parish, they concluded that at a minimum, there was an appearance of impropriety in Parish's actions. Accordingly, RSO Schurman and DCM Hallford recommended to Ambassador Sasser that he ask Parish to voluntarily curtail from his service in Beijing. According to Schurman, Sasser was hesitant to do this, despite all of the evidence against Parish. According to Schurman, Sasser was concerned that Parish would file an EEO action if he took any action against Parish.

Nevertheless, Sasser was convinced by Schurman and Hallford to ask Parish to leave. When they did ask Parish to leave, Parish did so.

However, once he returned to Washington, no disciplinary action was taken against Parish. He was never referred for any rebuke or disciplinary action, and his personnel file remained clean. Upon his return to Washington, D.C., Parish was reassigned to a sensitive office in the State Department reviewing visa applications from Iran and Iraq. Later, Parish was transferred to the State Department's Bureau of Oceans and International Scientific and Environmental Affairs, where he was awarded a merit pay raise. In 1998, Parish retired from the foreign service with a full pension, never having been disciplined for his activities in Beijing.

II. THE INSPECTOR GENERAL'S INVESTIGATION WAS INADEQUATE

The Inspector General's investigation was inadequate in many ways as well. The most prominent mistakes are listed below. The Committee was informed the day before the hearing that the Justice Department will not allow the Inspector General to answer any specific questions about her investigation, claiming that such information is covered by Rule 6(e) of the Federal Rules of Criminal Procedure. The Justice Department is insisting upon this position, despite the fact that much of the Inspector General's work was done exclusively by Inspector General agents, and was never conducted before a grand jury.

1. The OIG Investigation Started Too Late

The State Department Office of Inspector General ("OIG") did not begin its investigation until January 1998, when it received a referral about the Parish matter from their Office of Inspections. Parish had been investigated at the Embassy, and was forced to leave over 18 months earlier. It is unclear why the OIG did not start an investigation of Parish earlier, at the same time that he was under suspicion of wrongdoing in Beijing. By the time that the OIG's investigation got underway, much of the relevant evidence was gone, and Parish had retired from the Foreign Service. Accordingly, the only action the OIG could take against Parish was to refer him to the Justice Department for prosecution -- they could not have Parish sanctioned administratively or have his pension revoked. The OIG never referred Parish for prosecution, and he never received any punishment from the State Department.

2. The Investigation Failed to Gather All of the Relevant Information

Like the previous investigation by DS, the OIG's investigation was very narrow, and failed to investigate all of the available leads relating to Parish. Also, much like the Diplomatic Security Service's investigation, it appears that the OIG was too quick to clear Parish.

a. OIG Did Not Carefully Review the Documents from Parish's Office

The OIG did request that Diplomatic Security send to Washington all of the documents that RSO Schurman had retrieved from Parish's office. They believed correctly that these documents could be useful in the investigation. The Committee was told by the OIG that investigators from the OIG and the FBI reviewed the two boxes of records from Parish's office, and found them "totally irrelevant." However, in reality, the two boxes contain dozens of valuable leads relating to Parish, so it is inconceivable that the OIG and FBI investigators carefully reviewed the materials in the two boxes. In addition, when the two boxes were given to the Committee by the OIG, they contained ten classified documents that were improperly placed in the box. The OIG was not aware that the materials were in the box until informed by Committee staff. Accordingly, it is impossible that OIG and FBI staff reviewed the materials carefully – otherwise, they would have located the classified materials, and stored them properly.

The OIG's failure to review the material from Parish's office was a significant failure. The documents contain the names of dozens of potential witnesses against Parish, and provide substantiation for many of the allegations against Parish, including the charges that he granted visas in exchange for money and sex.

b. OIG Did Not Understand the Previous Investigations

It also appears that the OIG did not attempt to understand the extent to which Parish had been investigated at the Embassy and by Diplomatic Security. The OIG's failure to do so resulted in a serious misconception regarding the scope of Parish's wrongdoing.

When the OIG provided the two boxes of documents from Parish's office to the Committee, they informed Committee staff that the two boxes represented the entire contents of Parish's office. Committee staff then informed the OIG staff that the boxes represented only a small portion of materials from Parish's office that had been saved by the RSO. The OIG staff were completely unaware that Schurman had destroyed the vast majority of records in Parish's office. The OIG interviewed Schurman, but never learned that he had failed to preserve most of the evidence against Parish, and that Parish actually had hundreds of visa files and other records in his office. As a result of this oversight, the OIG came to the conclusion that Parish's wrongdoing was on a much smaller scale than it actually was.

c. OIG Failed to Interview Witnesses

The investigation by the Inspector General's office was incomplete in other ways as well. Most of the witnesses interviewed by the OIG were peripheral to the investigation. The OIG will likely claim that they were piggybacking on the FBI investigation of Parish, which was already underway at this time, and simply let the FBI conduct many of the interviews. If this argument is true, it is troubling that the OIG

would pass off to the FBI an investigation of this importance. More importantly though, this argument is not convincing, as many witnesses were not interviewed by the FBI or the OIG. These witnesses include: Chris Hegadorn, one of the main junior officers under Parish; Hong Zhao, a close associate of Parish, who received a visa from him; and Scott Hallford, the Embassy's Deputy Chief of Mission.

d. OIG Did Not Examine Parish's Bank Records

In investigating allegations of visa fraud, the OIG failed to investigate one of the obvious sources of proof – Parish's financial records. First, the OIG failed to subpoena any financial records relating to Parish. Review of such records is instrumental in attempting to show that Parish was receiving money for issuing visas. The OIG has not provided any explanation for their failure to review Parish's bank records.

In addition, it appears that the OIG was unaware that Parish maintained a Hong Kong bank account. The OIG did interview the RSO, but again failed to learn that Parish had a Hong Kong account, and that Schurman destroyed the records relating to this account. If the OIG had been aware of this account, it is possible that they could have reviewed the account if they had the cooperation of the Hong Kong authorities.

e. OIG Did Not Investigate Full Range of Companies

Most alarming is the failure of the OIG to investigate the full range of companies that allegedly provided gratuities to Parish. It appears that for the most part, the OIG retraced the investigate steps taken by Diplomatic Security in 1996. The OIG did briefly investigate allegations made by Johnny Chung, but it did not investigate allegations that Parish was given gratuities by COFCO and BNU in exchange for granting visas, in spite of the fact that these allegations had been reported in the press. These allegations are some of the most serious against Parish, as COFCO and BNU have extensive ties to individuals and firms with ties to the Chinese military, such as Wang Jun, Robert Ma, Poly Technologies, and Dynasty Holdings. In addition, the OIG failed to contact a number of individuals that either received visas from Parish, or claimed that Parish was involved in wrongdoing.

When asked about the failure to investigate leads relating to COFCO and BNU, the OIG has told Committee staff that they did not investigate these leads because they believed that the FBI was already investigating them. However, this explanation does not justify the lack of action by the OIG. According to their own account, the Inspector General's office relied extensively on the FBI during the investigation. FBI agents conducted many of the witness interviews, and the OIG either read the interview summaries, or participated in the interviews. At no time though, did the OIG use the fact that the FBI was investigating Parish as an excuse to drop their investigation entirely. In the one case of investigating COFCO and BNU, though, the OIG completely failed to investigate, or even keep tabs on the FBI investigation. In doing so, the OIG failed to even look at one of the clearest cases where Parish granted visas in exchange for gratuities, and also may have missed possible serious counterintelligence issues.

3. The OIG Then Misrepresented Its Investigation to the Committee

After the Committee learned of the allegations against Charles Parish from Johnny Chung, it requested a briefing from the Office of Inspector General regarding their investigation of Parish. In that initial briefing, and in subsequent meetings, the OIG has created a false impression regarding their investigation, and otherwise slowed the Committee's efforts to investigate.

In their briefing, OIG personnel told Committee staff that they had thoroughly investigated the allegations against Parish, interviewed witnesses, and reviewed records, and nothing was found that corroborated the allegations against Parish. They also stated that there was never any evidence that Parish accepted anything past "knickknacks of de minimis value."

a. Claims Regarding Parish's Bank Records

Government Reform Committee staff specifically asked OIG staff whether they had reviewed Parish's bank records. OIG staff responded that they did review Parish's bank records, and found nothing to corroborate the allegations against him. Later, Committee staff requested that the OIG produce a copy of those bank records to the Committee. At that time, the OIG explained that they had not actually reviewed Parish's bank records, but instead ran a FinCEN check on Parish. (Such a check would contain only a summary of major financial transactions conducted by Parish for which he would have had to file federal paperwork.) When Committee staff requested a copy of the Parish FinCEN materials, OIG staff then explained that they had actually not even conducted a FinCEN check on Parish. As it turned out, the OIG had not taken any investigative steps to review Parish's financial accounts, despite the fact that they twice assured Committee staff that they had.

b. Claims Regarding Parish's Acceptance of Gifts

During their briefing to Committee staff, OIG staff claimed that there was evidence that Parish had accepted only "knickknacks of de minimis value." However, this claim was patently false. Beyond the allegations made by Johnny Chung, there were numerous other allegations that Parish received valuable gratuities from parties interested in the visa process. The Committee has learned with relative ease that Parish had accepted free stays at luxury suites in Phoenix and California from COFCO and BNU, that he had accepted gifts of value from Chinese citizens, and that he accepted a valuable trip to a DNC fundraiser. It is unclear why the OIG chose to mischaracterize Parish's receipt of gifts during briefings to Committee staff.

c. Claims Regarding Production of Documents

When Chairman Burton requested that the OIG produce all relevant documents regarding the Parish investigation, the OIG produced a list of relevant documents to the

Committee staff, and asked staff to select documents that they wanted to receive. OIG clearly represented that the list was a complete accounting of all documents relating to the Parish investigation that were in the custody of the OIG. However, after OIG produced that list, the Committee learned that there were two boxes of documents, and a box of gifts that had been retrieved from Parish's office in Beijing. The Committee requested that both the State Department and the OIG produce the boxes, if they had them. Initially, the OIG denied having the boxes, but then located them, and produced them to the Committee. The OIG's justification for failing to produce the three boxes was that the documents they contained were so irrelevant that the boxes were never entered into the case index. OIG staff then added that the boxes would have been destroyed within several months pursuant to OIG policy if they had not been requested by the Committee.

As explained above, the OIG's explanation for the failure to produce the boxes of documents does not make sense. The boxes contained documents of high relevance, including copies of visa applications granted by Parish, documents containing allegations of visa fraud against Parish, and extensive correspondence between Parish and individuals to whom he granted visas. It is difficult to see how any investigator could review these boxes and find that they were not relevant to the Parish case. Therefore, it is fair to conclude that the OIG and FBI investigators that reviewed the boxes did a very cursory and sloppy job.

As explained above as well, these boxes of documents contained classified documents. It is unclear whether these documents were in Parish's office, or whether they were put into the box at a later point. Regardless, they were not stored properly: the committee was not informed that they were in the box, they were unsecured until located by the Committee, and they had no cover sheet indicating their classification. Indeed, when the minority staff asked OIG staff if there were classified documents in the box, they were expressly told that there were none. The fact that the OIG appeared to be completely unaware that there were classified documents in the box supports the conclusion that no one from the OIG carefully reviewed these boxes, which were filled with relevant documents.

ATTACHMENT 1

INTERVIEW OF PAUL HOROWITZ

On June 14, 1999, David Kass, Kevin Davis, and Michael Yaeger of the Government Reform Committee interviewed Paul Horowitz of the State Department. Also present from the State Department were Dean Pittman of the Legislative Affairs office, and Mary Comfort of the legal counsel's office.

Background

Horowitz worked in the Beijing embassy in the nonimmigrant visa ("NIV") section from January 1994 until December 1995. Horowitz served under Richard Haynes and Charles Parish during the time that he was in Beijing.

Parish's Conduct

Horowitz stated that Parish did keep a separate set of application files in his office. Junior officers complained about this fact to Dan Piccuta, head of ACS. When Piccuta confronted Parish about the files, Parish explained that he was keeping the duplicate files as a kind of anti-fraud tracking device.

Horowitz stated that when a senior officer overturns an application rejection by a junior officer, it is usual to provide an explanation of why it was overturned. Horowitz had many of his decisions overturned and never received an explanation from Parish. After a while, the Consul General, Mecias, began to require that any time a rejection was overturned, there had to be a written explanation. This change was implemented solely because Parish so frequently overturned junior officers' rejections without explanation.

People who tried to complain about Parish were "squashed." Horowitz stated that while Parish could be friendly and gregarious, when challenged, he would "put his Marine uniform quite quickly." The office generally dealt with Parish by maneuvering behind his back, and trying to limit the damage that he caused. Toward the end of Parish's stay, Mecias, Piccuta, and Horowitz frequently met to discuss how to limit the damage that Parish was causing.

Complaints About Parish

Complaints about Parish began early in his tenure. However, the Consul General, Mecias, wanted to keep the problems internal. However, eventually, stories about Parish got outside into the rest of the embassy.

The embassy's diplomatic security people had been tracking the Parish situation informally. DS knew that there was some sort of problem with Parish.

Parish and Mecias had had several "closed-door sessions" regarding Parish's conduct, and Horowitz indicated that Parish would generally listen to Mecias. Horowitz believes that he first complained about Parish to Mecias in November or December of

1994. Horowitz had likely complained informally to Dan Piccuta even earlier. Horowitz stated that there was a denial on Mecias part for a long time regarding Parish. Piccuta was more active in getting the embassy to take some action regarding Parish.

Starting in the fall of 1994, Horowitz became Parish's deputy. This was largely an administrative position, and it became a position that was rotated among the junior officers. The junior officers used this position to minimize the collateral damage that Parish's behavior was causing.

Parish's Dealings with Chinese

Parish traveled a fair amount. He was sent to several offices on State Department business, and he also traveled in China on personal travel. Horowitz recalls Parish telling him that he was going to visit the Sichuan province to see the Three Gorges area. When Parish returned, he was very disappointed because he had never left Beijing. Whoever Parish was traveling with took him around to a series of banquets in Beijing, rather than taking him to the Three Gorges. Horowitz believes that it was a person from a travel agency that was taking Parish around. Horowitz stated that this story showed a certain naivete on Parish's part, no recognizing that many Chinese wanted to take a powerful American official around to banquets, without Parish realizing.

Parish had many Chinese friends, but Horowitz believes that most were friends simply because of his position.

Parish had many gifts in his office, and the junior officers would joke that Parish's office looked like a gift shop. Parish was quite open about receiving gifts from the Chinese. Mecias had discussions with Parish about this. Horowitz also visited Parish at his apartment once or twice. He recalls that long after Parish had moved in, it looked like Parish had just gotten there – there were many boxes still lying around.

Horowitz knows that Parish had Chinese girlfriends, but doesn't think that he lived with anyone.

Horowitz has no specific recollection of dealing with COFCO or Elizabeth Mann.

Johnny Chung

Horowitz might have met Johnny Chung in Beijing. After his tour in Beijing, Horowitz went to Hong Kong. As part of his work there, Horowitz looked for records relating to Chung. From reviewing those documents, it appeared that Chung had been to the consulate there as well.

Horowitz saw Parish's picture from the fundraiser, which had Parish standing between the President and Vice President.

Parish Investigation

Horowitz was contacted by Diplomatic Security and the Inspector General during their investigation of Parish, but the FBI never contacted him.

ATTACHMENT 2

INTERVIEW OF CHRIS HEGADORN

On June 14, 1999, David Kass, Kevin Davis, and Michael Yaeger of the Government Reform Committee interviewed Chris Hegadorn of the State Department. Also present from the State Department were Dean Pittman of the Legislative Affairs office, and Mary Comfort of the legal counsel's office.

Background

Hegadorn served in the Beijing embassy from February 1994 until late May 1996. Hegadorn served as a junior officer in the nonimmigrant visa ("NIV") section. Hegadorn explained that there were three main duties in the U.S. consulate in China: (1) nonimmigrant visas for Chinese individuals visiting the U.S.; (2) American Citizen Services ("ACS"), for U.S. citizens visiting China; and (3) immigrant visas. NIV and ACS were handled in the U.S. consulate in Beijing, and immigrant visas were handled in Guangzhou.

When Hegadorn started, Richard Haynes was in charge of NIV, and Arturo Mecias was the Consul General, overseeing NIV, IV, and ACS. Dan Piccuta was the officer in charge of ACS. Shortly after Hegadorn's arrival, Haynes was replaced with Charles Parish.

Hegadorn then explained his duties under Haynes. Hegadorn and the other NIV junior officers would interview visa applicants. The main purpose of the interviews and the applications was to determine whether the individuals would return to China. Haynes would supervise the junior officers. He would work the visa window if other officers were out sick. Generally, he would only handle NIV applications of high-profile individuals when there was a particular political interest in their case. Haynes would review the junior officers work, and had the right to overturn refusals made by junior officers.

No Contacts by Other Investigators

When asked who had contacted him about Charles Parish, Hegadorn stated that he had never been contacted by the FBI, State Department Diplomatic Security, or the Inspector General's office. Hegadorn did speak some with the RSO while he was on post in Beijing regarding Parish.

Parish's Handling of Visa Applications

Parish's handling of the NIV office was very different from Haynes'. Parish would often stand behind the junior officers while they worked on the visa lines. Parish also spent more time re-interviewing applicants that had been rejected by the junior officers. Parish would have his assistant, Ms. Yang, call individuals that had been rejected, and schedule them for re-interviews. Parish would conduct these re-interviews either sua sponte, or based upon a formal petition by the rejected applicant.

Hegadorn stated that it was common for American citizens to make introductions of visa applicants to the officer reviewing the application. Hegadorn stated that while it was common, they tried to not let it influence their judgement.

Parish kept his own set of files regarding a number of visa applicants. This was abnormal, and Haynes did not keep any such files. At first, Parish kept a number of original visa application folders in his office. After complaints from junior staff, Parish eventually agreed to keep duplicate files in his office. Ms. Yang, a Chinese citizen who worked at the embassy as Parish' assistant, kept the files. The junior officers did not complain about Parish keeping duplicate files, and complained only to the extent that it interfered with their work.

Parish explained his contact with Chinese citizens by saying that he was interested in Chinese students, photography, art, and was trying to keep in touch with what was going on in Chinese society.

Hegadorn stated that Parish's handling of visa applications was no secret, especially to the Chinese. Hegadorn did see an article in a local Chinese magazine indicating that it was easy to get a visa from Parish. Hegadorn also indicated that he heard that the Chinese had a nickname for Parish, "Lao Hei," or "Old Black." This nickname was used in the context of describing that "lao hei" was a good person to get a visa from.

The two rumors that Hegadorn and the other junior officers heard about Parish were first, that he was very lenient in granting visas, especially to students, and second, that he had a preference for young attractive women, and would grant visas to them, in addition to engaging in personal relationships with them.

When asked about the accounting system at the embassy, Hegadorn stated that applicants paid \$20 before entering the line at the embassy. There was never any problem with theft of these funds, to Hegadorn's knowledge.

Hegadorn would have several of his refusal decisions a week overturned by Parish. (Hegadorn stated that the NIV office would handle between 400 and 600 applications a day.) Other junior officers were overturned at the same rate, and had similar problems with Parish.

Hegadorn stated that Parish generally thought that leniency was the best policy with visa issuance. If there was any doubt, Parish would generally err in favor of granting the visa. He believed that the INS would discover any problems if a person overstayed the visa.

Parish's Contacts with Chinese

When asked about Parish's relationships with the local Chinese, Hegadorn did state that he saw Parish out at Chinese bars on occasion, but Hegadorn did not go out very much, so he wouldn't know how often Parish was out. Parish would tell others in the embassy that he had been out with various Chinese, and he also made it clear that he had personal relationships with Chinese women.

When asked about Parish's travel, Hegadorn stated that Parish was sent on temporary duty to Guangzhou to work in the visa office, and he was also sent to the Chinese border to work with the Harry Wu situation.

Hegadorn has no specific recollection of any dealings with COFCO. It was common for the embassy to receive applications through the foreign ministry, sponsored by various state-owned Chinese companies. These applications were generally granted.

Johnny Chung

Hegadorn has no specific recollection of meeting Johnny Chung. He does remember receiving computer training in Chinese language software, but he does not remember who gave the training. Updating the office's software was a big priority of Parish's.

Once, Parish returned from a trip to the U.S., and had a photo of himself standing with the President. Parish went to the U.S. with Ms. Yang. Hegadorn believes that Parish arranged for her visa.

Hegadorn named the other officers that he served with in Beijing: Paul Horowitz, Richard Gaffin, Kai Ryssdahl, Stephanie Fossan, Evan Betzer, and Ann McConnell.

Parish's Receipt of Gifts

Hegadorn does not recall hearing anything about Parish receiving money from visa applicants. Asked whether Parish lived beyond his means, Hegadorn stated that Beijing was very cheap, and it would be difficult to tell.

There were a number of gifts in Parish's office. There were constantly gifts coming into the office, but there was a strict prohibition against receiving gifts over \$20 in value. However, the junior officers were told to take no gifts, even if they were below \$20. However, Parish had many gifts in his office, including a large painting.

Investigation of Parish

At the time that Hegadorn was leaving in May 1996, the DCM and the Ambassador became aware of Parish. The main embassy was in a separate building, and was therefore isolated from the problems. The junior officers in NIV had complained to

Piccata, who was head of ACS. Mecias, who oversaw Parish, was not interested in hearing the junior officers' complaints.

When Fossan and Ryssdahl came to Beijing in the Spring of 1996, they helped bring the complaints about Parish to a new level. The junior officers met with Hallford, the DCM, and complained about Parish. Once Hallford found out how serious it was, he took action. However, Hegadorn and others had been complaining for a long time (to others) without any action.

Hegadorn never heard of much follow-up being done in the Parish investigation once Parish left Beijing.

ATTACHMENT 3



OUTSIDE THE EMBASSY OF THE UNITED STATES OF AMERICA

Hundreds of applicants line up for visas outside the American Embassy located in Xiu Shui Dong Jie early in 3am or 4am.

With red bands on their arms, an old guy named Chang and his wife keep the line order. Quite a lot of folding tools are prepared for the applicants. They collect one Yuan from each person for the service of number registration and folding tools. Some old, sick, disabled or worldly-wise persons often pay the Old Chang 40 to 50 Yuan for the early numbers without being noticed.

The Chang family's daily income is around 400 to 500 Yuan, around 10,000 per month. Sometimes more, sometimes less. Like days before, the government's agencies closed due to the unreachd agreements between the American Congress and Government so the embassy didn't issue any visas. Things lasted for 1 month and the old Chang had no income for that month. However, the Old Chang didn't look anxious. Loss of last month will be recovered in this one. Applicants waiting for two months look especially crowded outside. Due to the hard efforts by the Old Chang, a moving Chinese "hugh dragon" calmed down while waiting for the embassy door open in the chilly wind.

People whispered when they were waiting:

"How many times have you been here for the visa?"
 "Is it not easy during these days?"
 "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one."
 "Sometimes the 'white' one is also kind, like window 6, the guy with blue eyes and blond hair."
 "What should I do if I can't speak English?"
 "These Americans are all sinologues sound like that 'Da Shan' on TV."

Some of them have been refused many times. They are familiar with each other. Having exchanged the experience, summed up the lessons and found out the characters of these American diplomats, they prepared well for the challenge.

When it's getting light, people excited again, standing up from the stool. The others followed without any hesitation.

People standing there for 1 or 2 hours like they are here to purchase new market stocks. For not knowing when the door will be open, some of them don't dare to go to WC. An old man hesitated:
 "Is there still enough time to go to the WC?"
 He had no idea who he was asking for.
 Some warm-hearted person answered him: "Just stick on a while otherwise you'll waste these hours for lining up."

Then abuses shouted up from the queue: "Why don't they make a WC outside? seems much piss in the cold days."

Some of them could't stand it then went to the corner of the building to release. But most people had suffered for their self-esteem.

Afterwards, several had been informed to enter the little room.

The Old Chang and his wife called the numbers on the list. The line moved slowly.

Applicants had to line up for the 170 Yuan application fee. Some had to pay 1000 Yuan for the multi-entry visa fee. After that, they needed to fill out the forms and wait for the interview.

It seems there is only one most important point for the visa standard "anti-immigration". So all questions and dialogues are based on this.

An old lady wanted to visit her daughter in the States. The young American with big nose, blue eyes asked her:
 "What's your purpose to the States?"
 "To visit my daughter. She's giving birth. Difficult labor."

The young American was confused with "difficult labor". He asked seriously again.

The old lady answered impatiently: "That means not easy to give birth. Baby's hip came out first."

The American consul still confused: "Where should be out first?"

"Head, head first, you understand!"

"Yeh, it must be dangerous. Why you go there alone? Where is your husband?"

"Passed away long time ago."

"Anyone related to you here in China?"

"Son and 'sun zi' are both in China. How could I immigrate?"

"What do you mean 'sun zi'? Is that an insulting word?"

The old lady explained to the young consul patiently: "It's not a insulting word. 'sun zi' is my grandson. Not a slang."

The American consul learned something new and very happy. He repeated: "'sun zi' grandson. OK, you passed."

Next was a young man being refused to study abroad for many times. The entrance time had passed: He had to try an idea taught by the others.

He came to the window, standing straightly, with right hand on his chest, then song American anthem. So the other American consuls had to stand up and song together. After that, the interview began.

Staring at his eyes, nothing special, the consul asked him: "Why did you sing our anthem?"

The young man said: "The American and the Chinese are friendly, it couldn't be exclusive. I'd like to study modern technics from the American people. I hope you'll support me."

"OK!" visa's issued.

Of course, some inapplicable applicants are quite rude. A middle-aged man in Western dress, holding cellular phone, shouted in the embassy: "Damn it! We are doing the science research. Your programe couldn't be done without our help."

The consul reviewed his forms and refused him. He was given the reason through the microphone: "Sir, you have no proper reason. You wife has no fixed income in the States and couldn't afford you. Please go out, otherwise we have to force you."

At this time, several Negro soldiers appeared beside him, he had to leave angrily.

Most of the refused applicants are assumed as immigration intendency. There are misunderstandings in some of them.

A single old man had been refused to visit his son for several times. He had no option. That morning, he sat in the wheel-chair and told the consul: "I have to take medication for my legs in the States. Here is the notice from the American hospital. I believe that only the American doctors can cure my legs and I was told the sooner the better." The consul issued him the visa.

When he picked up the yellow visa sheet, he stood up immediately, and said sarcastically: "I'm the doctor myself. I've cured many foreigners' sickness. The treatment condition in the States is much better but the technics is not as good as ours. He left the wheel-chair and walked quickly away.

For sure, the happiest is the Old Chang. For he knows those been refused will be back here some day, and that's the way his fortune comes from. The board in the fee collection place of the embassy is said "welcome next time".

The Old Chang's income is small potato compared with the embassy's. The income of visa fees per day is tens of thousand, and hundreds of thousand for one month. It is a good way of earning during the days full of disputes between the American Congress and Government.

But it's a big expense for chinese who are willing to go to the States, let alone standing in the chilly wind for ten hours. Some of them have to pay more than thounds yuan even ten thousands yuan for the transportation fee.

Actually here is another fact couldn't be ignored: The foreign students studying abroad are outstanding ones here in China. The chinese government paid much on them and after they finished their studies they become the tax payer of the American Government.

Look at this long line. When it could be shorten? When the "dragon" could turn it's head back?

Is this the way paving to the heaven or to the hell?

Article from magazine "Beijing Chronicle" April, 1996

北京纪事 '96.4



纪事论坛

心照不宣的“自费班” 石 丛(1)

大家小品

酒量 田国政(12)

京城内参

在美国驻华使馆外 闻 言(4)

本刊专稿

京城毕业分配大战 文 文(18)

来自大红门的报告 李武魁(48)

北 京 人

杨沫帮我改文章 段燕勤(41)

翦立和他的“胡同三部曲” 魏 革(35)

曲美,谁弹奏 杨清源(54)

京城“鸟”人和鸟市 天 荣(60)

北京故事

京城民居里的外交故事 周家望(21)

动物文化沙龙 李向阳(42)

电脑故事 沈振羽(63)

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京城内参

“这几个老美都是中国通，讲起话来个个都像电视上那个大山似的。”

其中有些人多次遭到拒签，多次来排队，互相之间已经很熟悉了。他们互相交流经验，总结教训，对那几个美国外交官的性格摸得较透，都是精心准备前来应战的。

当天色大亮，人们又激动起来。坐马扎儿的人都已站起，后面的紧贴着前面的，丝毫不敢懈怠。

马路对面就是那个两层楼的美使馆。楼顶上的星条旗有气无力地飘动着，好像没有睡醒一样。

人们就这样站立一两个钟头，越挤越紧，样子就像争购新上市的股票似的。由于不知道什么时候开门，有些人不敢上厕所。其中就有一个老人不断地犹疑，他被憋得直跺脚：

“现在上厕所还来得及吗？”

他也不知道是在问谁。

回答他的热心人却很多：

“坚持一下吧，老大爷，如果叫到您，您就上厕所啦，这几个钟头的队不是白排了？”

队伍中开始出现骂声：“这帮丫挺的，也不在外面修个厕所。这天一冷，尿就得多。”

有些人忍急了，也就不管男女有别，跑到楼后处“哗哗”地撒开了。可多数人的自尊心却让他们备受煎熬。

熬。

在大家排到忍无可忍的时候，传达室传出金属的敲击声。敲几下，就是告诉你进几个人。

老常头和老伴拿着早已登记好的名单开始叫人。队伍一点点地向前蠕动。有好奇者问那个被憋得直跺脚的老人：“怎么不撒尿啦？”

老头平静地说：“还憋个屁，早就顺着裤兜冒出来了。”

“没关系，里面窗口高，只能看到脸，看不到下边……”

不一会儿功夫就放进去几十个人。

人们进到使馆里面，排队交手续费，一交就是170多元。有些多次往返签证要交上千把元，交完钱，再排队交费，然后又等待叫号。

一开始，只有一位年轻的白人领事负责签证，进度很慢。当放入的队伍长了起来，又增加了两位工作人员。

签证的标准最重要的看来只有一条：“防止移民倾向”。因此提问，对话全围绕这个中心进行。

其中有一位老太太要去看她在美国的女儿。大鼻子，蓝眼睛的美国小伙子问她：“您去美国干什么？”

“去看女儿。她生小孩啦，是产！”

美国青年虽是中国通，但也不是精通各和事情，比如这个“诞产”，他就搞不明白。他认真地问：“什么叫诞产？”

老太太没好气地回答他：“诞产就是生孩子困难，屁股先出来。”

美国领事还是闹不明白，因为他还没有结婚，有些知识就是用美国话说，他也不一定能懂。他疑惑地问：“应该哪儿先出来？”

“头，脑瓜，脑壳儿先出来……明白了吗？”

“哦！明白，那太危险了。怎么就你一个人去看她，你的先生呢？”

“我老伴儿早就死了。”

“这么说你走了全家人就都到美国了。在中国你还有什么人？”

“我在中国还有儿子、孙子，怎么会移民呢？”

“什么叫做孙子？你是不是在骂人？北京人不高兴了就骂人孙子。”

老太太面对单纯的美国小伙子，也就耐下心来慢慢地解释：“我不是骂人，孙子就是儿子的儿子，我们管这个叫做孙子。”

美国领事学习到新的知识，很



☆☆☆☆☆



是高兴，他重复着说：“儿子的儿子叫孙子，OK，通过啦！”他给老太太签了证。

下一个是位年轻人，他是到美国学习的，因为多次被拒签，早已过了入学的时间，别人给他出了个馊主意，在百般无奈的情况下他只好一试。

他来到领事面前并不坐下，而是站得笔直，右手捂在心口，用英文高声唱起了美国国歌，搞得几位美国领事一同起立，同他一同唱了起来。唱完以后，他才微笑着坐下，同领事交谈。

领事坐下以后仔细地看着他的眼神，见没有什么异常，便愉快地问：“你为什么唱起我们的国歌？”

年轻人说：“美国人民同中国人民是友好的，一个民族是不会排外的。我到美国是同美国人民学习先进的科学知识去的，您一定支持我的。”

领事听得高兴：“OK”一声终于给他签了。

当然，到美国使馆签证的人中也有条件不敷，态度却蛮横的，其中有一位中年汉子，西服革履，手持大哥大，在使馆里高声大唱：“他妈的，我到你们美国去是搞科研的，没有我们的项目就搞不了。”

领事们不给他那一套，看完完他的材料后给他来个“拒签”，他就破口大骂。领事们干脆通过大喇叭向他广播：“先生，你并没有正当的现在，您夫人在美国没有正常收入，不能担保您的生活，请您立即出去！否则我们就要派人将您请出去了。”

这时有几位身高马大的黑人卫兵出现在他的旁边，他只好望风丧胆，唯唯然离去。

被拒签的人中，多数是搞怀疑有移民倾向的。其中有许多人是被误杀的。

有一位孤身老人多次申请去美国看望儿子，可排了几次队结果都被拒签。出于无奈，只好心生一计。这天早晨，他坐着轮椅又一家进了大使馆，对领事说：“我到美国去看望，在中国怎么也看不好了，您说，这是美国医院的入院通知，我相信只有在美国才能治好我的病。你们美国医生说我这病越早治越好治”，已经不能再耽误了，请您动作快一点！”

领事立即给他签了证。

他接过黄色签证条，马上就站了起来，感激地说：“我就是医生，我治好过许多外国人的病，美国医疗条件虽好，可技术比我们的差远了。”

京城肉参

说完，连轮椅也不要了，抛腿就走，而且走得飞快。

使馆外面仍然是人山人海。大家都在观察着每个从使馆里出来的人。

出来的人表情不一，有高兴的，有烦躁的，有的本来是两口子，却一个给签了，另一个没有签成。有个别感情脆弱的竟然哭了起来。外边的好心人就围上来安慰他们：“瞎，下回来吧。”

最高兴的当属负责秩序的老常头了。因为他知道，他们肯定还要来，来了就肯定还会向他交钱。他的财源常流不断，当然，也包括大使馆的收费处。收费处的大牌子上赫然写着几行大字：“欢迎下次再来！”

他们的收入比起老常头就是大巫见小巫了，他们一天就收入几万元人民币，一个月下来就是上百万。在美国国会同政府之间因对政发生冲突的今天，这确是一个很好的生财之道。

但对广大的前往美国去的中国人来说，这实在是一笔不菲小的费用，不用说在漂泊的梦境中站立的十数个小时，在长长的队伍中熬着心了。还有许多从外地远道而来的，有的往返多次，光火车票就多达几千元，甚至上万元。

其实还另有一笔看不见的账：到外国留学的留学生，都是中国的佼佼者，中国政府为他们花了大量的钱，他们本是中国的人才，学成之后却为美国政府上税去了。

瞎，这条长长的队伍，这条源源不断的炮台叠起的队伍，什么时候才能变得短一些呢？什么时候才能见到“龙回头”呢？

这到底是一条通往天堂的坦途，还是通向地狱之门的艰险之路呢？

责任编辑 傅伟

ATTACHMENT 4

Mr. Ambassador
U.S.Embassy
People's Republic of China

David Chen
Chinese-American Association
525 Market St. Suit 1008

September 28, 1995

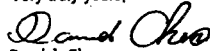
Dear Mr. Ambassador:

When I was on vacation in Peking last month I have gotten a lot complains regarding the illegal activities in you visa office. Some of your employees sell the visa to the citizen of China, the others receive bribe.

This is involved not only the Chinese translators but also the vice consul. They received the money and the valuable gift from the Chinese persons who eagerly want to get visa to America for varies reasons included the economic criminal. The price of each visa is from \$20,000 to \$30,000 (U.S.Dollars) that is 30 years' income of the average Chinese people.

Kindly make the necessary investigate and action against the illegal actions, to defend the interest of America as well as the Chinese people.

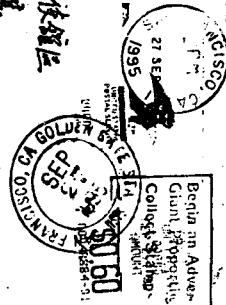
Very truly yours,


David Chen

David Chen
Chinese-American Association
525 Market St. Suite 1008
San Francisco, CA 94108

中國北京建國門外使館區
美國駐中國大使館
大使先生收

Mr. Ambassador
U.S. Embassy
People's Republic of China



ATTACHMENT 5



Embassy of the United States of America

September 11, 1995

MEMORANDUM

TO: CONS - Charles M. Parish
FROM: CONS - Arturo S. Macias *AS*
SUBJECT: Visa Issuance

I have been given to believe that on Friday, September 8, you issued a number of visas to some secondary school exchange students from Guangxi Province to participate in some sort of exchange program in the United States.

I do not know if this is true, but if it is, I consider this highly inappropriate.

In future, I want you to confer with me before making a decision to issue visas to out-of-district applicants, particularly when they are in a category which we would consider problematic even if they lived in our own district.

ATTACHMENT 6

INTERVIEW OF DONALD SCHURMAN**July 9, 1999**

On July 9, 1999, at the State Department, David Kass, Kevin Davis, and Kristen Amerling interviewed Don Schurman. Dean Pittman and Mary Comfort were present from the State Department.

Background

From February 1995 until October 1997, Schurman was the Regional Security Officer at the Beijing Embassy. He currently is the Division Chief for the Overseas Operation Group for Technical Security.

As Regional Security Officer, Schurman's primary responsibility was protection of embassy personnel, and protection of classified information. Schurman was responsible for all of China and Mongolia, which included four consulates and two embassies. Schurman had under his supervision one assistant, two engineers, two seabees, and 13 Marines. Schurman's responsibilities included dealing with the security concerns of local Americans as well, such as visiting businessmen, tourists, and Americans living in Beijing.

Complaints About Parish

When asked when he first heard complaints about Parish, Schurman stated that had heard early in his tenure that Parish was easy to get visas from, especially if you were a young, attractive woman. Part of Schurman's job was interviewing all embassy personnel who were leaving the embassy. In Schurman's first six months, a departing visa officer complained that Parish was giving out visas to attractive young women. Schurman looked into this issue, and learned about the visa issuance process. He found that it was highly discretionary, and difficult to make decisions in a very short time period. He also stated that the INS still had the authority to turn away individuals with a visa. After conducting this review, Schurman decided that there was no allegation of any illegal action against Parish, and did not look into the matter any further. He did not interview Parish regarding these allegations. Schurman states that he did not find these allegations illegal or even troubling.

Schurman continued to hear that Parish was lenient in granting visas, especially to certain groups of people. Schurman was also aware of the Chinese magazine article stating that Parish was a good person to see if you wanted a visa. However, Schurman states that he did not find these matters troubling, and he did not look into them. Schurman states that during this period of time, he never heard any allegations that Parish was issuing visas for money or sex.

Non-Fraternization Policy

When Schurman started as RSO in Beijing, there was a strict non-fraternization policy. However, during the time he was in Beijing, the policy was changed so that staff were required to report the fact if they entered into a sexual relationship with a Chinese citizen. The purpose of the change was to allow the Embassy to keep track of who was in contact with the Chinese, and to warn them about the perils of such relationships. It was a personnel violation if an Embassy employee entered into a sexual relationship with a Chinese citizen without reporting it to the Embassy.

Schurman states that he never heard that Parish was involved in sexual relationships with Chinese. He also states that he was never told anything about Parish being in sexual relationships with Chinese by either Scott Hallford or Arturo Macias. Schurman confirmed that either Hallford or Macias should have told him if they were aware of any problems relating to Parish's issuance of visas (that went beyond mere leniency) or any problems relating to Parish having sexual relationships with Chinese.

Investigation of Parish Begins

In April 1996, Hallford held a dinner for the junior officers in the visa section. The officers told Hallford that there were numerous problems in the visa section. The next morning, Hallford told Dan Piccuta and Schurman that there were allegations against Parish. These allegations went beyond leniency. Schurman recalls that the allegations included Parish processing visa applications from outside the district covered by the Beijing embassy. The embassy had started this policy to prevent individuals rejected in one district from coming to another consulate to get a visa. The other allegations that Schurman recalled were that Parish received a lavish birthday party from a travel agency that sponsored many visa applications. There was also some concern with Parish's travel to the U.S. with Chinese citizens.

Hallford asked Schurman and Piccuta to pursue this matter. Piccuta had a list of problems relating to Parish that he had previously. Schurman believes that Piccuta had given this list to Macias. Schurman recalls that the list included out of district visa issuances, the birthday party, granting visas to individuals sponsored by the travel agency, and receipt of gifts from visa applicants.

Review of Parish's Office

The first thing that Schurman did when starting this investigation was to seal Parish's office, and change the locks. At the time, Parish was away on a vacation.

Schurman looked through Parish's office. Most of the gifts were described by Schurman as "knickknacks" or "junk." He did see some cufflinks which he estimated were in the \$200-300 price range. The office was packed with files and other materials. Parish had many documents, including original visa applications, in his office. Parish's explanation of these files was that he was tracking individuals he has issued visas to. In his files, Parish had letters from travel agencies and individuals explaining that they had returned to China from the U.S. Parish also had many duplicates of visa applications in

his office. Parish also had a large credenza that was full of files on various Chinese companies, and backup information on various students. Schurman never conducted an inventory on what was in the office, and he never photographed the office.

In searching the office, Schurman also found a large stack of e-mails between Parish and Chinese students for whom Parish had issued visas. Schurman also found a statement from a Hong Kong bank account in Parish's name. Schurman did not take much interest in the account, since it only had \$100 in it.

After seeing the volume of material in the office, he did cable Diplomatic Security to ask them to send a person to Beijing to help him with the investigation. DS never sent anyone to assist Schurman. Schurman believes that DS didn't send anyone because Parish wasn't a major problem.

Schurman spent a few weekends and evenings review the material in Parish's office. Schurman never finished reviewing the material in Parish's office. The consulate wanted Parish's space very badly, so Schurman took what he believed to be the most relevant documents, and boxed them in a closet in his office. Everything else in Parish's office was destroyed. The materials that were not destroyed were as follows: one box of documents relating to the travel agency, one stack of e-mails between Parish and visa recipients (4-5 inches thick), and one stack of original visa applications (1 or 2 inches thick), and one box of gifts and personal correspondence. All of Parish's files on Chinese companies, and most of his duplicate visa applications were destroyed. In addition, the original visa applications that Schurman took from Parish's office were destroyed, since they were over a year old. Schurman also took no steps to keep old visa applications from being destroyed, and there was no effort to discover which visa applications Parish had granted.

Schurman states that he allowed these records to be destroyed because the investigation appeared to be going nowhere.

Schurman states that he never heard anything about a Marine catching Parish trying to smuggle materials out of his office after it was sealed. He also never heard that Parish had been in his office shortly before the investigation began, shredding materials.

Schurman was asked if he ever searched Parish's apartment, and he responded that this would be a "touchy matter," and he did not.

Interview of Parish

After conducting their investigation, Schurman and Piccuta interviewed Parish. Parish defended his practices, and denied that he ever accepted money or sex in exchange for visas. Parish denied any relationship with his Chinese secretary, Mrs. Yang. Parish admitted that he went to a party held for him by the travel agency, but told Schurman that many other junior visa officers went with him, and accepted gratuities there as well.

Parish admitted that he had accepted various gifts, and violated ethical rules, but said that he had to accept them. Parish tried to defend himself.

Meeting with Sasser

After the Parish interview, Schurman and Hallford met with Ambassador Sasser. Sasser wanted to proceed cautiously. Hallford assured Sasser that they should ask Parish to curtail from the Embassy. Sasser was concerned that Parish might file an EEO complaint if they asked him to curtail. However, Sasser was convinced to go along.

Parish's Curtailment

After checking with Sasser, Hallford and Schurman met with Parish, and asked him to curtail, or Sasser would "withdraw his confidence" from Parish. Parish seemed to be surprised, and seemed to think that the Embassy would not take any action against him. Schurman states that the only thing that the Embassy could do to Parish is ask him to curtail or withdraw its confidence. As for personnel action against Parish, or firing him, the State Department would have to do that. Schurman believes that Piccuta had discussions with the main State Department about these issues.

Complaints About Schurman's Investigation

Schurman was asked if there were any complaints about the way he conducted the investigation of Parish at post. Schurman stated that many of the junior officers wanted Parish to be found guilty of something. Schurman would tell them to give him evidence, but no one ever gave him evidence of illegal acts by Parish. Schurman remembers Kai Ryssdal as one of the major agitators against Parish.

Schurman stated that there were never any other individuals at the visa section under suspicion in the visa section as part of the Parish investigation. Schurman is unaware of allegations made regarding "Mrs. Zhao," or a U.S. employee at the embassy "Paul" regarding the sale of visas. Schurman did state that Parish was the only African-American at the visa section.

Schurman did not interview all of the junior officers at the embassy as part of his Parish investigation. It was Schurman's understanding that Piccuta was supposed to compile all of the allegations against Parish. Schurman does believe that either he or Piccuta conducted formal interviews of the junior officers. Rather, they spoke with them socially, and compiled the facts they needed.

Review of Parish Materials by DS and OIG

When Schurman left Beijing in October 1997, he left the material he had taken from the Parish office in his office. At that time, no one from DS or the OIG had looked at it. In October 1997, personnel from the OIG were at the embassy on a regular visit, and when they asked about the status of the Parish matter, Schurman offered them a look

at the materials he had boxed up. Schurman states that they recoiled when he showed them a box of documents.

Schurman does not recall faxing any of the Parish documents to DS during their investigation, although he did send cables with information relating to Parish. After he left Beijing, Schurman does believe that the Parish materials were requested by DS.

Miscellaneous

Schurman was interviewed by Natalie Murphy of the State IG's office.

Schurman also saw the recent L.A. Times article regarding Parish.

DS never informed Schurman of any other allegations against Parish.

Schurman never thought of sending all of the Parish documents to D.C. instead of destroying them.

Schurman does not recall checking with anyone before having the Parish documents destroyed, although, he "would like to think that he did."

ATTACHMENT 7

Waiban (FAO) and Travel Agency cases issued under questionable circumstances.

- Batches 828/335; 829/335; 831/335 total of approximately 26 applicants from various provinces including a large number of Fujianese, issued 4 Dec 95, electronically adjudicated by CMP. Issuance occurred after a Conoff noted that several passports appeared to be photostubbed or altered. Passports did not have proper exit cards as well. Group was requested but failed to provide Chinese ID cards verifying identities. Cases submitted by to CMP directly by a Taiwan national who claimed to be affiliated with CP&TITS Travel Agency; groups were "turned around" (denied entry) by INS on arrival due to clear intent to work. Subsequent telephone investigation revealed that the person who delivered the cases to the Consular Section was not employed by CP&TITS travel agency. Case involved alleged short term English language course at LCP Int'l in Irvine, CA. The group appears to have been broken into several small groups sent on different airlines.
- Batch 843/011 total of Fujianese traveling to WashDC for training. OF-156 Visa Applications show no indication of officer action. Electronically adjudicated 11 Jan 96 by CMP. OF-156. Group delivered to Consular Section by *China Swan Travel Agency* (further discussed below).
- Batch 594/026. Group turned around by INS for clear work intent. INS reports this group of Fujianese, and another 10-20 such groups, arriving New York to an address opposite the Fukien American Association. Batch electronically adjudicated by CMP.
- *No indication of namecheck* on this group (visas were issued over deferred namecheck), which would be a violation of law.
- JIANG Liuping. Issued Dec 95 for LCP (see above) English course and "visit trade center." Dates for "trade activities" in USA - Christmas eve and Christmas day.
- Li Xiaogun. Application submitted for B-1 visa via Waiban channel and refused 214b. Application re-submitted as F-1 (dates unclear); issued by CMP.
- Batch 686/008 Zhu Xiaohua and Liu Qing. Refused as 214b Dec 12, 1995. Husband and wife reapplied and issued by CMP. Date of application not shown on OF-156 indicates application probably NOT received at front window where date is stamped on receipt.
- Batch 658/345 issued Dec 11, 1995. Yu hong and 15-year old son Wang Fenju issued B-1 to purchase \$32,000 single family home ("a few blocks from Shu Duan Restaurant") in Niagara Falls, NY.

Issuance of Previously Refused Cases

- LI Hui. Refused twice in Beijing on 1/23 and 2/13/96 for clear work intent based upon correspondence and reputation of Chinese singer Wei Wei (and AmClt husband, who have themselves previously obtained NIV visa for Wei Wei in order for Wei Wei to now adjust in the US). Visa issued 2/23 by CMP. Applicant was turned around by INS for clear work intent.
- XU Wuping. Jiangsu applicant issued 12/15/95 despite 12/4/95 Shanghai refusal; no check with Shanghai. Numerous other similar cases of issuance over prior refusal with no Visa Alpha inquiry made.
- YANG Yuelin. *Seven years old*. Refused twice, 7/18/95 and 7/6/95. Issued F-1 (batch 700/208) by CMP on 7/27/95.

ATTACHMENT 8

MAY-06-96 MON 06:02 PM US EMBASSY BEIJING

FAX NO. 86 10 5360423

Activities Giving Rise to Appearance of Impropriety

- Visa(s) issued to person(s) with whom CMP had sexual relations.
- China Swan Travel Agency official told Conoff he was "not receiving proper cooperation." Chinese NIV staff member alleges China Swan, after entertaining CMP and other staff members, routinely requested staff members place visa applications "on CMP's desk and nowhere else" apparently to ensure issuance.
- Joint "birthday party" hosted by Real Estate Sales firm at whose request visas issued.
- Expensive pens, watches, tie(s), clock(s) and other gifts. Opinion of all conoffs, numerous officers of other embassy sections, and (it seems) many Chinese staff that attractive female applicants are given preference and cases favorably considered by CMP including issuance over prior refusal.
- Applications accepted by CMP and/or Ms. Yang and numerous applicants interviewed in Er Ban office despite CG ban on such activities.
- Interviewing officers told: "I'll get my visa from Charles Parish" by several applicants.
- Report of dinner with Chinese Consular officer in Los Angeles seeking F-1 visa for daughter in violation of visa law and regulations. Appearance to PRC officials that visa that cannot be issued can be obtained through CMP.
- Visa issued to staff member (Ms. Yang) with no advance notice to CG. Chinese staff believe ticket may have been issued at discount not available to general public, by China Express Int'l Travel Agency. Another Chinese woman included in this group of 3.
- April 1996 issue of Beijing JiShi Magazine includes an article on visa application at US Embassy with interviews of applicants from NIV queue. Report concludes "if you get (CMP), the visa is easy to obtain."
- Many dozen OF-156 forms for issued visas kept in CMP office, in private file cabinet or on Yang's desktop. Apparently some kind of "tracking" of persons issued by CMP but outside of mandated filing of OF-156s issued each day. OF-156 forms for issued visas in cases on which INS has requested additional information cannot be located in Consular Section's files on a weekly, if not more often, basis.
- Issued B-1 to an actress after junior conoff had researched FAM, informed by CMP and interested USIS officer, that a P-1 was appropriate and could not be issued without an approved petition. CMP stated reason for issuing in clear violation of FAM: "The system is broken, sometimes we have to take things into our own hands."
- Dancing lessons for Chinese staff provided by FESCO to visa staff. Computer training for Chinese staff arranged without proper, prior obligation of USG funds.
- Issued 3 B-2 tourist visas to PAP officials who, according to US DAO sources, "arrived in US with suitcases full of cash." OF-156 had no indication of reason issued. Case brought to Consular attention by DAO Brad Gertes noting that USG Military Intel had questioned issuance of those visas.

DIIMA

H

C3

C6

SEVENTH

SENSITIVE

FOR DS/CP/EAP, DS/CR/VE

TAGS; ASIC

2. RSD WAS REQUESTED BY CHARGE TO PARTICIPATE IN A
 JOURNAL WITH SUBJECT, GORDON, AND THE HEAD OF AMER

3. INFORMATION PRIOR TO RETURN OF SUBJECT SHOWED THAT HE

4. CONSULATE RECORDS INDICATE THAT SUBJECT ISSUED VISAS FOR THE UNITED STATES TO SUBJECT'S WIFE OF TICKETS FOR THE

FOR THE TWO WOMEN. ALL THREE SETS OF TICKETS FOR THE FLIGHT CAME FROM THE SAME TRAVEL AGENCY AND ALL WERE BOOKED ON THE SAME FLIGHT.

3. THE PRE-INTERVIEW INFORMATION ALSO REVEALED THAT THE SUBJECT WAS GIVEN A BIRTHDAY PARTY IN JANUARY 1956. THE PARTY WAS HELD IN THE BALLROOM OF THE GUANG DONG REGENCY HOTEL, ALSO KNOWN AS THE HUAGUO FANDIAN. IT WAS A LARGE PARTY WHICH MOST MEMBERS OF THE CONSULATE STAFF ATTENDED.

5. THE CONGEN OPENED THE DISCUSSION WITH COMMENTS REGARDING HIS CONCERN ABOUT THE LAX PROCEDURES IN THE VISA SECTION. THESE INCLUDED THE INADEQUATE CONTROLS WHICH LEAD TO ACCOUNTABILITY PROBLEMS FOR THE MONEY RECEIVED FOR VISA FEES AND FOR THE VISA POLLS. THESE LAX CONDITIONS ALONG WITH THE QUESTIONABLE PRACTICE OF SPECIAL TREATMENT FOR SOME CLIENTS HAD LEAD TO A GENERAL PERCEPTION OF IMMORALITY IN THE U.S. EMBASSY VISA SECTION.

7. SUBJECT WAS THEN QUESTIONED ABOUT HIS RECENT TRIP. SUBJECT STATED THAT HE PURCHASED HIS OWN TICKET USING HIS PERSONAL FUNDS FROM A PUBLIC AGENT RECOMMENDED BY THE NORTHWEST AIRLINES OFFICE. HE PAID A FEE FOR THE TICKET BUT WAS INDEBTED TO ANY QUALIFIED PURCHASER. HE STATED

3. RSO REMINDS SUBJECT THAT DEPARTMENT POLICY REQUIRES C-7
THAT HE REPORT ANY PERSONAL RELATIONSHIP WITH A CHINESE

THAT HE REPORT ANY PERSONAL RELATIONSHIP WITH A UNITED STATES NATIONAL IN WHICH THERE IS AFFECTION, INFLUENCE, OR OBLIGATION. RTO ALSO REMINDED SUBJECT THAT HE MUST REPORT INSTANCES OF COHABITATION WHICH IS DEFINED AS SHARING THE SAME LIVING QUARTERS WITH FOREIGN NATIONALS FOR THE BETTER PART OF ONE WEEK. SUBJECT DID NOT RESPOND TO THESE

2. SUBJECT WAS ASKED IF HE HAD EVER RECEIVED ANY ITEM OF MATERIAL VALUE INCLUDING GIFTS, FAVORS, OR ENTERTAINMENT FROM ANYONE WHO HAS INTERESTS THAT MAY BE SUBSTANTIALLY AFFECTED BY THE PERFORMANCE OF NON-PERFORMANCE OF HIS PERSONAL DUTIES, VIS-A-VIS, THE ISSUANCE OF VISAS. THE SUBJECT RESPONDED THAT HE HAD RECEIVED AS WELL AS GIVEN SMALL GIFT ITEMS BUT HE HAD NOT RECEIVED ANYTHING OF

ONCE AGAIN VALVE. HE WAS THEN QUESTIONED ABOUT THE BIRTHDAY PARTY HE WAS INVOLVED WITH. IN JANUARY 1938, HE STATED THAT THIS WAS A PARTY GIVEN BY HIS FRIEND SONO. HE SAID THAT THE PARTY WAS ALSO A BIRTHDAY PARTY FOR HERL, AND THAT THIS WAS NOT THE FIRST BIRTHDAY. SONO STATED THAT MEMBERS OF THE COMBATED AND ATTENDED BUT HE DID NOT RECALL HOW THEY WERE INVITED. JACK REED INTERVIEWED THAT HE HAD SEEN INDIVIDUAL INVITATIONS FOR MEMBERS OF THE COMBATED STAFF, AND THAT THE INVITATION INDICATED THAT THE PARTY WAS FOR SONO. IN RESPONSE TO QUESTIONS AS TO THE NATURE OF SONO'S BUSINESS, SONO STATED THAT HE RAN A U.S. REAL ESTATE DEVELOPMENT COMPANY. SONO ADMITTED THAT HE HAD BEEN IN CONTACT WITH THE COMBATED STAFF, PRODUCED A STACK QUON (IS) LETTERS OF INVITATIONS SIGNED BY SONO WHICH HAD BEEN FOUND IN SONO'S OFFICE DURING HIS ARREST. THE COMBATED HAD RETRIEVED THE LETTERS ALONG WITH THE REMAINS OF SONO'S OFFICE. SONO STATED THAT HE WAS HANDLING OF COMBATED PAPERWORK, BUT DID NOT KNOW OF ANY

ASSOCIATION WITH THE SUNDAY PARTY UNTIL THIS DISCUSSION. SUBJECT CLAIMED THAT HE HAD HELD ON TO THE PAPERWORK TO DO AN UNOFFICIAL STORY OF HOW MANY PEOPLE ACTUALLY RETURN TO CHINA WHEN ISSUED THIS TYPE OF VISA.

10. SUBJECT WAS ASKED TO DISCUSS OTHER CHINESE RELATIONSHIPS AND FRIENDS. HE STATED THAT HE ENJOYED INTERACTING WITH THE CHINESE COMMUNITY, AND THAT HE "WAS NO MORAL." RSG REMINDED SUBJECT THAT HIS PERCEPTION OF A RELATIONSHIP WAS NOT NECESSARILY THE ONE WHICH WOULD

DETERMINE IF HIS ACTIVITIES VIOLATED THE CODE OF ETHICAL CONDUCT. AN INDIVIDUAL WHO GAVE A GIFT OR FAVORS AND LATER RECEIVED A VISA FROM HIM MIGHT CAUSE OFFENSE TO QUESTION HIS MOTIVATION, I.E., HE MIGHT HAVE ENGAGED IN AN ACTIVITY THAT CREATED THE APPEARANCE THAT HE WAS VIOLATING THE LAW OR ETHICAL STANDARDS. SUBJECT WAS SPECIFICALLY ASKED IF HE HAD EVER HAD AN INTIMATE RELATIONSHIP WITH ANYONE TO WHOM HE WAS SUBSEQUENTLY GIVEN A VISA. SUBJECT REMAINED SILENT AND DID NOT RESPOND. HOWEVER, AFTER THE MEETING SUBJECT CAME TO THE RSO OFFICE AND EXPLAINED THAT HE DID NOT RESPOND BECAUSE HE DID NOT WANT TO DISCUSS HIS PERSONAL LIFE IN FRONT OF THE OTHER

UNCLASSIFIED

UNCLASSIFIED
DEPARTMENT OF STATE
DIPLOMATIC SECURITY

INCOMING
TELEGRAM

PAGE 02 OF 02 BEIJIN 16050 00 OF 02 021022Z 0750 001745 DSS002
TWO OFFICERS. HE SAID THAT THERE WAS ONE PERSON WITH WHOM
HE HAD AN INTIMATE RELATIONSHIP, BUT THAT HE WOULD HAVE TO
CHECK CONSULATE RECORDS TO SEE IF SHE ALREADY HAD A VISA
PRIOR TO THEIR ENCOUNTER. HE ALSO STATED HIS DESIRE TO
COOPERATE FULLY AND ANSWER ANY QUESTIONS. ALL THOSE
PRESENT DURING THE EARLIER INTERVIEW WERE LEFT WITH THE
IMPRESSION HIS RESPONSES WERE GUARDED AND MEASURED.

SENSITIVE

11. THERE ARE A NUMBER OF OUTSTANDING QUESTIONS THAT
COULD BE INVESTIGATED REGARDING SUBJECT'S ACTIVITIES IN
THE CONSULATE. DID THE TWO TRAVEL COMPANIONS PAY FOR THE
VISAS? ARE PROPER FEES BEING PAID FOR THE VISAS PROCESSED
FOR 2001? TWO COMPANIES UNDER WHOSE NAMES 200 RECENTLY
ISSUED LETTERS OF INVITATION ARE:
-BRIGHT CITY INTERNATIONAL CORPORATION, 66-00 ALDERTON
STREET, FOREST HILLS, NY 11374, TELEPHONE 718 450 6002
-THE LIGHT CITY & GUANG HUA CORP., 6727 ALDERTON STREET,
FOREST HILL, NY, 11374-5231, TELEPHONE 718-450-5532

ARE THESE VALID BUSINESSES?

12. THE GENERAL OPINION OF THE CONGEN AND ACS HEAD IS THAT
THE SUBJECT WAS NOT ACCEPTING MONEY FOR SERVICES. THIS
WOULD BE DIFFICULT TO PROVE OR DISPROVE GIVEN THE PAST
LACK OF CONTROLS AND THE HIGH VOLUME OF VISA ACTIONS
(125,000/YR). THE CONGEN HAS INITIATED STRINGENT CONTROLS
WHICH SHOULD ALLEVIATE THE ACCOUNTABILITY PROBLEM.

SENSITIVE

13. ACTION: REQUEST GUIDANCE REGARDING FURTHER
INVESTIGATION. IT WOULD APPEAR THAT SUBJECT HAS VIOLATED
THE CODE OF ETHICAL CONDUCT REGARDING THE BIRTHDAY PARTY
AND SHOULD, AT A MINIMUM, RECEIVE A LETTER OF REPRIMAND
FROM POST. IS ACTION BY POST ON THE ETHICS ISSUE
SUFFICIENT, OR IS IT A REQUIREMENT THAT POST REPORT THE
INCIDENT TO THE OIG? IF THE OIG IS TO BE NOTIFIED, SHOULD
POST SEND A TELEGRAM SPECIFICALLY ADDRESSING THAT ISSUE OR
WILL DS PASS THIS TELEGRAM ON FOR THEIR REVIEW? NOTE THAT
THIS CASE DOES NOT APPEAR TO BE DIRECTLY RELATED TO VISA
FRAUD INVESTIGATION V-96-00053 WHICH WILL BE ADDRESSED IN

DEPTEL.
HALLFORD

UNCLASSIFIED

ATTACHMENT 9

UNCLAS DS CHANNEL SECSTATE 102289

Laser1:
 ACTION: RSO-2
 INFO: //ZERO//

DISSEMINATION: DS
 CHARGE: PROG

VZCZCBJO112
 RR RUEHBJ
 DE RUEHC #2289 1372116
 ZNR UUUUU ZZH
 R 162109Z MAY 96
 FM SECSTATE WASHDC
 TO AMEMBASSY BEIJING 3952
 BT
 UNCLAS STATE 102289

DS CHANNEL FOR RSO FROM DS/CR/VF

E.O. 12958: N/A
 TAGS: ASEC
 SUBJECT: V-96-00066

REF: A. SCHURMAN 5/16/96 E-MAIL B. BEIJING 14059

1. THIS CASE HAS NOT YET BEEN BROUGHT BEFORE AN AUSA FOR PROSECUTION. HOWEVER, HEADQUARTERS HAS CONSULTED WITH AN AUSA TO REQUEST GUIDANCE CONCERNING THE ISSUES RAISED IN REFTEL A. THE MEETING PLANNED FOR FRIDAY SHOULD BE LIMITED STRICTLY TO THE PERSONNEL DECISION POST MANAGEMENT HAS MADE. PARAGRAPH 6 IN REFTEL B APPEARS TO BE THE GROUNDS FOR THE ACTIONS MADE BY POST. THE SUBJECT SHOULD NOT BE QUESTIONED IN ANY WAY ABOUT HIS POSSIBLE CRIMINAL ACTIVITY. ANY QUESTIONS

RELATED TO HIS POSSIBLE CRIMINAL INVOLVEMENT COULD JEOPARDIZE A FUTURE PROSECUTION. HEADQUARTER'S MAIN CONCERN IS THAT THE SUBJECT COULD CLAIM THAT HE WAS COMPELLED TO ANSWER ANY QUESTION ASKED OF HIM DURING THE MEETING.

2. DS/CR/VF SUGGESTS THAT THE RSO PARTAKE IN THE MEETING TO ENSURE THE INTEGRITY OF THE INVESTIGATION. HEADQUARTERS HAS NO PROBLEMS INFORMING THE SUBJECT DURING THE MEETING THAT DS HAS OPENED A CRIMINAL INVESTIGATION LOOKING INTO SOME OF THE ALLEGATIONS.
 CHRISTOPHER

BT
 #2289
 NNNN

UNCLAS DS CHANNEL SECSTATE 102289

IMPROPER ACTIONS BY CHARLES PARISH

MAJORITY STAFF REPORT COMMITTEE ON GOVERNMENT REFORM

In May 1999, the Committee first heard allegations from Johnny Chung regarding bribery, visa fraud, and other irregularities at the U.S. Embassy in Beijing. After hearing these allegations, the Committee began an investigation into the matter. The Committee has learned that the Embassy's former First Consul and Secretary, Charles M. Parish, was apparently engaged in widespread wrongdoing at the Embassy. Mr. Parish's malfeasance ranges from apparent bribery, to improper receipt of gifts and gratuities, to violation of Embassy rules regarding fraternization with Chinese citizens. Mr. Parish has declined to submit to a voluntary interview by Committee staff, and has been subpoenaed to appear at Thursday's hearing. In press accounts, Mr. Parish denied the most serious allegations against him, but admitted to an "appearance of impropriety."

I. EVIDENCE THAT PARISH GRANTED VISAS TO PARTIES THAT PROVIDED HIM WITH MONEY, GIFTS, AND OTHER GRATUITIES

There is substantial evidence that Charles Parish issued visas to parties that provided him with money, gifts, and other gratuities. Despite numerous specific allegations against Parish, only a few of these allegations have been investigated by the State Department.

A. Allegations Made by Johnny Chung

At a hearing on May 11, 1999, Johnny Chung made a number of charges against Charles Parish. Chung met Parish in early 1995, when he was trying to get a visa for He Yun Jei, Chairman of the Haomen Beer Company, to come to the United States. Chung and Parish soon developed a close relationship in which Chung obtained visas from Parish, and Parish obtained favors from Chung. Chung estimated that Parish approved between 25 and 30 visas for his business associates. It was so easy for Chung to get visas through Parish that Chung soon found himself spending more time than he liked handling visa requests. Because he did not want to handle these requests, Chung closed his Beijing office, and terminated his relationship with Parish. Chung's allegations, if true, constitute clear visa fraud on the part of Charles Parish.

- **Chung Witnessed Parish Being Provided Cash for Visas:** At his Beijing apartment in 1995, Chung witnessed the Chairman of the Haomen Beer Company give Parish a bag containing bundles of Chinese currency along with several Chinese passports that needed to be stamped with U.S. visas. While Chung only briefly saw the cash, he estimated that the shopping bag contained a bundle and a half of notes that might have totaled \$15,000.
- **Chung Took Parish to a DNC Event:** Chung told the Committee that in September 1995, he took Parish, and Parish's sister and girlfriend, along with Mr.

He and Mr. He's girlfriend, to a DNC fundraiser in Los Angeles. Chung took Parish and his guests to a private VIP reception with President Clinton. Attendance at this fundraiser cost a significant sum of money (a total of \$20,000 for the entire group), and Mr. Parish was allowed to attend free of charge by Chung. By accepting these tickets, Mr. Parish accepted a valuable gratuity from a party interested in receiving visas from him. Additionally, at this event, Parish insisted that Mr. He and Mr. He's girlfriend have their pictures taken with President Clinton. This request resulted in the DNC soliciting Chung for an additional \$70,000.

- **Chung Issued Letters of Invitation to the U.S. for Girlfriends of Parish:** Chung told the Committee that at Parish's request, Chung invited Chinese citizens who were Parish's girlfriends to visit the U.S. Such an invitation letter is necessary for a Chinese citizen to receive a visa. This request shows another example of Parish receiving something of value from a party interested in receiving visas from him.
- **Chung Provided Funds for Computer Training for Parish's Secretary:** At Parish's request, Chung provided computer training to Liping Yang, Parish's secretary. Providing this training cost Chung \$500.
- **Chung Provided Tuition Money to Friends of Parish:** Chung has informed the Committee that in 1995, he and Parish were riding in a car, when Parish demanded that Chung pay the tuition for a Chinese student who was attending school in the United States. According to Chung, Parish told Chung "you do it, and you do it now." Chung understood Parish's demand to mean that Parish would not continue to issue visas for him if he refused to pay. Accordingly, Chung immediately asked his wife to get a cashier's check, and take it to the registrar at California State-Los Angeles. The tuition money that Chung paid amounted to between \$7,000 and \$8,000.

B. COFCO and BNU

The Committee has learned that Parish received gifts and gratuities from China National Cereals, Oils, and Foodstuffs Import and Export Corp. ("COFCO"), and its wholly-owned subsidiary, BNU Corp. COFCO is a Chinese state-owned conglomerate, and BNU is a real estate company operated in Phoenix, Arizona, by Elizabeth Mann. COFCO and BNU sponsored a number of visa applications, as officials from COFCO frequently visited BNU in Phoenix. Mann cultivated a relationship with Charles Parish as a way of ensuring that COFCO officials received visas from the Embassy.

- **COFCO Gave Gifts to Parish:** Committee staff has interviewed the former Vice President of COFCO, Jay Ding, who was present when Mann presented Parish with a number of gifts. Ding is not aware what the gifts were, but saw Mann pass an envelope and several wrapped boxes to Parish while Parish was dining with COFCO and BNU officials in both Beijing and Phoenix. Ding also informed the

Committee that Mann mentioned a gold Rolex watch, and \$2000 in casino chips in connection with Parish, although he is not certain that she gave either to Parish, and he was not present for any exchange.

- **Free Accommodations given by COFCO:** It is clear that Parish received some valuable gratuities from COFCO. In 1995 and 1996, Parish took vacations from his work at the Embassy and traveled in the United States. On one occasion, Parish was accompanied by two Chinese women, Ting Ji, and Liping Yang. Parish stayed for one week at the Palm Country Club, condominiums in Norwalk, California, owned by COFCO. Parish also stayed for another week at the Gloria Park Village, condominiums in Las Vegas, also owned by COFCO. Witnesses have also informed the Committee that Parish also stayed free of charge at another COFCO property in Scottsdale, Arizona. According to Jay Ding and other witnesses who worked at COFCO, Parish received luxury accommodations while staying at COFCO properties. (Attachment 1.)
- **Stacks of Cash in Parish's Room:** The Committee also learned from Jay Ding that while Parish was staying at COFCO's Palm Country Club in Norwalk, California, a cleaning lady who was cleaning his room found stacks of cash, approximately \$10,000, in the room. She reported this to her supervisor, who in turn told Elizabeth Mann. Mann told the property manager to keep the housekeeper out of Parish's room. Later, Mann attempted to provide additional explanation to the property manager by telling her that it was not unusual for Chinese to travel with a lot of cash.
- **Parish Processed Visas at COFCO's Request:** There is also evidence that Parish processed visas at the request of Elizabeth Mann. Several e-mails were found in Parish's office indicating that Mann asked Parish to help issue a visa for Fuli Lin, the Vice Chairman of BNU, (Attachment 2) and that Lin successfully obtained his visa with Parish's help. (Attachment 3.) There may have been many more instances of Parish issuing visas at Mann's request, but because most of Parish's records were destroyed by the Embassy's Regional Security Officer ("RSO"), there is no way of definitively proving he did so.
- **Ties Between COFCO and the Chinese Military:** It should be noted that COFCO and Elizabeth Mann have extensive ties to important figures and entities in the Chinese military. COFCO's Palm Country Club property in Norwalk, California, is owned jointly with Dynasty Holdings, a company owned by the Chinese army. According to former COFCO employees, Mann and COFCO have extensive dealings with Dynasty Holdings, Poly Technologies, and Robert Ma. Ma and the two companies were involved in a plot to illegally smuggle Chinese-made AK-47s into the U.S. in 1996. Ma fled the U.S. before he could be indicted, and returned to China. Mann is also close friends with Wang Jun, who is a son of a former Chinese Vice President, and head of one of China's largest conglomerates, CITIC. Wang Jun has close ties to the Chinese military, and attended a White House coffee that was arranged by Charlie Trie in February

1996. These ties between Parish, COFCO, and these Chinese military figures have never been investigated by the State Department.

C. Velur Investments

Parish processed a number of visa applications for Velur Investments, a firm that worked with wealthy Chinese who wanted to purchase property in the U.S. Parish was in frequent contact with James Gotcher, an attorney for Velur. While there is no hard evidence that Parish made improper requests of Velur officials, after Parish had departed the Embassy, a Velur employee made a disturbing allegation against Parish. (See Attachment 4.)

The State Department memo indicates that in March of 1998, Cynthia Bushman of Velur Investments, met with Dennis Halpin, Parish's successor as head of the non-immigrant visa section. Bushman told Halpin that she wanted to work with him in obtaining visas, but that she wanted to be "above board and follow proper procedures, especially after what happened with your predecessor [Parish]." When Halpin asked what had happened, Bushman explained that there was a Filipino-American in California who had worked on visa processing with Parish, and so "a lot of people in California are aware of what happened." When Halpin asked specifically what she meant, Bushman stated "visas for S-E-X."

The Committee has received no evidence that the State Department or the Office of Inspector General has followed up on the allegations made by Ms. Bushman. Another troubling fact is contained in the memo – it is titled "*Another* Report on Past Visa Malfeasance" (emphasis added). While this is the only memo of its type that was produced to the Committee, it appears that Mrs. Bushman's charge was not the first of its kind received by the Embassy.

D. David Chen

In September 1995, David Chen of the Chinese-American Association in San Francisco, wrote to Ambassador Sasser. (Attachment 5.) In his letter, Mr. Chen stated that while he was in Beijing, he heard many complaints about the visa section in the U.S. Embassy. Chen stated that:

"[s]ome of your employees sell the visa to the citizen of China, the others receive bribe [sic]. This is involved [sic] not only the Chinese translators but also the vice consul. They received the money and the valuable gift from the Chinese persons who eagerly want to get visa to America for various reasons including the economic criminal [sic]. The price of each visa is from \$20,000 to \$30,000 (U.S. Dollars). . . ."

While Parish's position was Consul and First Secretary, it is likely that the allegations refer to him. When questioned by Committee staff, RSO Schurman stated that the only allegations of visa fraud that he was aware of were those made against

Charles Parish. The Committee has not seen any evidence that the State Department followed up on this lead or attempted to contact Mr. Chen.

E. Allegations by Guo Hai Fan

In 1998, the Office of Inspector General ("OIG") received information about potential wrongdoing by Parish from Guo Hai Fan, an illegal immigrant who was detained at the U.S.-Canadian border. (Attachment 6.) During an interview with OIG and INS, Fan stated that in December 1995, he had the opportunity to purchase an L-1 visa when he was in China. Fan stated that he was offered this opportunity by a Chinese government official named Feng Li. Li and Fan met Guangqian Zhao, a Chinese employee at the U.S. Embassy. Zhao told Fan that the visa could be purchased for \$7,000. Zhao also told Fan that she could obtain the visa with the help of "Paul," an American visa section employee. Fan declined to purchase the visa from Zhao.

While this information referred to an employee named "Paul," it is possible that it nevertheless refers to Parish. Zhao told Fan that "Paul" was black, and according to the Embassy's RSO, Parish was the only African-American employee in the visa section. The Committee did not receive any evidence that the OIG followed up on this information by interviewing Zhao.

F. SINOPEC

One of the companies that Chung obtained visas for was SINOPEC, the Chinese state-owned petrochemical firm. Among the documents that was found in Parish's office was a letter from SINOPEC, thanking Parish for his help, and offering him a trip, courtesy of SINOPEC. (Attachment 7.) The letter states:

It was my great pleasure to be introduced to you during the dinner we had in Beihai Park. . . . Actually I heard about you long ago, and was especially grateful to you for the convenience you had created prior to our last trip to your esteemed country. . . . As remarked by Mr. Yan Sanzhong, Vice President of SINOPEC, we appreciate the great support you've provided our company over the years, and we would be very hoared [sic] if we are given a chance to reciprocate it. . . . [O]ur production facilities will be kept open to you and your colleagues at the U.S. Embassy at any time. Besides, we'd feel even more happy to host you [sic] a boat trip to the Three Gorges.

We have not learned definitively whether Parish accepted this offer to go to the Three Gorges, courtesy of SINOPEC. However, Paul Horowitz, one of the junior officers under Parish, did tell the Committee that Parish was invited to go to the Three Gorges by one of his friends. However, when Parish returned to work, he was disappointed, because rather than taking him to the Three Gorges, his friends had taken him to a series of business banquets in Beijing. Horowitz believes that Parish's friends would do this as a way of showing their influence with an important American official.

If Parish went on the trip, it would be a clear case of improperly accepting a valuable gift from a party who was receiving visas from Parish. Even if he did not go on the trip, the letter from SINOPEC demonstrates a disturbing degree of friendliness between a Chinese state-owned company and a U.S. visa officer.

G. Birthday Party

A number of witnesses have told the Committee that Parish attended a birthday party in January 1996 held in his honor by Guang Hua International, a local Chinese real estate company. The party was held at the Guang Dong Regency Hotel, and was attended by other staff from the consulate. Parish admitted attending the party when he was interviewed by Embassy personnel. Guang Hua, which held the party, sponsored many visa applications at the Embassy. When interviewed, Parish claimed that he did not know that the individuals sponsoring the party were the same individuals who had sponsored visa applications before him.

H. Other Gifts

Beyond these specific examples of Parish receiving gifts and gratuities from parties interested in receiving visas, the Committee has heard extensive evidence that Parish routinely accepted gifts. Chris Hegadorn, one of the junior officers who served under Parish, stated that the junior officers said that Parish's office looked like "a gift shop." The Committee has received one box of gifts from Parish's office, including ties, desk sets, and pen sets. While these gifts appear to be of limited value, we have heard testimony that Parish had more valuable gifts in his office. For example, Chris Hegadorn stated that Parish had a large painting that he received from someone. The Embassy's RSO also stated that he found a pair of cufflinks in Parish's office that he estimated at \$200 in value. (The cufflinks were never produced to the Committee.)

II. PARISH HAD INAPPROPRIATE CONTACTS WITH CHINESE CITIZENS

Once Parish arrived at the Beijing Embassy, he violated Embassy rules regarding contacts with Chinese citizens. At the beginning of Parish's tour, Embassy rules prohibited fraternization with Chinese citizens. Such fraternization included sexual relationships with Chinese citizens. During Parish's tour, the policy was changed to allow fraternization with Chinese, but if an Embassy employee entered into a personal relationship with a Chinese citizen, they were obligated to report it to the RSO.

In his interview with the RSO, Parish admitted to at least one unreported relationship with a Chinese female. (Attachment 8.) Witnesses have told the Committee that Parish frequently spoke of having Chinese girlfriends. Chris Hegadorn and Paul Horowitz, junior officers under Parish, told the Committee that Parish made it clear that he had intimate relationships with Chinese women. (Attachments 9 and 10.) Former COFCO employees interviewed by the Committee also stated that they saw Parish

traveling in the United States with girlfriends to whom he had issued visas for their travel.

As part of his unreported fraternization with local Chinese, Parish traveled to the United States with two Chinese citizens, and even issued their visas for the travel. One of these women, Ting Ji, apparently was a girlfriend, and the other, Liping Yang, was Parish's secretary in Beijing.

Parish also kept in close contact with a number of Chinese students to whom he had issued visas. The State Department produced dozens of e-mails that Parish exchanged with various Chinese students in the U.S. It is unclear why Parish stayed in such close contact with these individuals. However, in at least one instance, Parish helped a student find work in the United States. This student, Hong Zhao, was given a job with BNU in Arizona at the request of Parish. Hong Zhao recently gave Parish a check for \$7,000. (Attachment 11.) When Committee staff interviewed Ms. Zhao, she denied buying a visa from Mr. Parish, and claimed that she was simply repaying Parish for money he had loaned her over the past several years.

III. PARISH ISSUED OUT-OF-DISTRICT VISAS

In an effort to cut down on visa fraud, the Embassy prohibited each of the 5 different consulates in China from issuing visas for Chinese residing in a town outside of its consular district. This prohibition was intended to prevent a Chinese citizen who had been rejected at one consulate from coming to another consulate to get his visa.

Parish was criticized by a number of Embassy personnel for violating this rule. Junior officers under Parish observed that he violated the rule. Apparently, Parish's practice also caught the attention of the Consul General, Arturo Macias, who wrote a memo reproaching Parish for issuing out-of-district visas. (Attachment 12.)

IV. PARISH ISSUED VISAS TO UNQUALIFIED INDIVIDUALS

Parish also issued visas in a number of questionable cases, even when he is not alleged to have received any gifts or gratuities. Parish generally had a reputation as a lenient visa officer who was more likely than other officers to grant a visa. This fact was well known in the Chinese community, and even in the Chinese press. An April 1996 issue of the Beijing Chronicle described the visa issuance process, and contained the following quote:

"How many times have you been here for the visa?" "Is it not easy during these days?" "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one." (Attachment 13.)

However, there were a number of cases where Parish issued visas to clearly unqualified individuals, for example:

- In December 1995, Parish granted visas to 3 individuals sponsored by LCP International, for business training in the U.S. According to their visa applications, the three worked in the computer industry. However, when they arrived in the U.S., they were questioned by INS officials, who found that they knew nothing about computers. The INS turned all three back to China, since they did not have a legitimate purpose in coming to the U.S. (Attachment 14.)
- Parish issued visas to 26 individuals on December 4, 1995, despite the fact that several of the individuals had what appeared to be altered passports, and did not have proper Chinese identification. These individuals were supposed to be sponsored by LCP International for short-term language training. All of these individuals were refused entry in the U.S. because of their "clear intent to work." (Attachment 15.)
- Parish issued a visa to Liuping Jiang in December 1995. Jiang was sponsored by LCP International, and was to conduct trade activities in the U.S. on Christmas Day and Christmas Eve. (Attachment 15.)
- Parish issued a visa to Hui Li in late February 1996, despite the fact that he was rejected twice previously by Embassy officials for his clear intent to work in the U.S. When Li reached the U.S., he was denied entry by the INS based on his clear intent to work, and returned to China. (Attachment 15.)

V. PARISH IMPROPERLY KEPT VISA FILES

All of the witnesses from the Embassy that were interviewed by the Committee, indicated that Parish kept an extensive set of visa applications in his office. (Attachments 10, 11, and 17.) Neither Parish's predecessor nor his successor kept such files. Initially, Parish kept many original visa applications in his office, but this led to frequent complaints from junior officers. As a result, Parish began to keep duplicate files in his office. No one is entirely certain why Parish kept the files. When he was confronted about this practice during an interview by the Embassy's RSO, Parish claimed that he was keeping them as a way of tracking individuals to whom he had granted visas. Parish told the RSO that he wanted to use these files to make sure that visa recipients returned to China. It is difficult to know if Parish was telling the truth, but it is clear that this practice was highly irregular.

VI. PARISH ROUTINELY OVERTURNED JUNIOR OFFICERS' VISA DECISIONS

Two of the junior officers that served under Parish told the Committee that Parish routinely overturned decision by junior officers to reject visa applicants. (Attachments 9 and 10.) Chris Hegadorn told us that he would have 3 or 4 decisions overturned each week by Parish, and that other officers suffered the same overturn rate. Parish never provided any rationale to junior officers when he overturned their decisions. The problem with Parish overturning junior officers came to be so egregious that the Embassy

began to require an explanation if Parish overturned a junior officers' decision. According to Paul Horowitz, this change was enacted specifically because of Parish.

VII. FALSE STATEMENTS TO STATE DEPARTMENT INVESTIGATORS

During the investigation of his activities at the Embassy, Parish appears to have been dishonest in answering questions put to him by the Regional Security Officer, Don Schurman. Schurman asked Parish if he had received anything of material value from a party with an interest in receiving a visa. Parish denied that he had ever received anything of value, and disputed the characterization of the birthday party as something of significant value. (Attachment 8.) However, as this report describes, Parish received a number of gifts of material value. In addition, Parish also declined to answer a number of questions, including whether he had failed to report any intimate relationships he had with Chinese citizens, or whether he had a relationship with a woman to whom he then issued a visa.

Second, Embassy documents indicate that Parish attempted to smuggle out potentially incriminating items out of his office after it had been sealed. (Attachment 17.) After his office was sealed, the RSO allowed Parish to take out personal items. Parish piled some books into a bag, but when the RSO inspected the bag, he found that Parish had put a pair of expensive cufflinks and a tie tack into the bag. Parish claimed that they were his, but upon further inspection, the box with the cufflinks contained the card of the Chinese person that had hosted the birthday party for Parish in January 1996. (These items have never been provided to the Committee.)

ATTACHMENT 1

20TH STORY of Level 1 printed in FULL format.

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THE ARIZONA REPUBLIC

March 29, 1999 Monday, Final Chaser

SECTION: FRONT; Pg. A1

LENGTH: 1064 words

HEADLINE: EX-ENVOY TO CHINA ACCEPTED FAVORS

BYLINE: By Jerry Kammer, The Arizona Republic; Research librarian Donna Colletta contributed to this article.

BODY:

A former official at the U.S. Embassy in Beijing repeatedly violated State Department rules by accepting favors from a large corporation owned by the Chinese government, The Arizona Republic has learned.

When Charles M. Parish Jr. accepted free lodging at corporate apartments in Las Vegas and Norwalk, Calif., in 1995 and 1996, he was in charge of the visa section at the embassy.

In that position he provided visa assistance to Elizabeth Mann, a Chinese-born Phoenix woman who is an executive with a corporation directed by the Chinese Ministry of Foreign Trade.

That corporation, COFCO, owns the new Chinese Cultural Center on 44th Street.

While COFCO has not been tied to allegations that Chinese government money was used to influence the 1996 U.S. elections, the Parish story illustrates the same underlying issue - the potential vulnerability of government officials to foreign interests.

Parish's free stays at the Chinese-owned properties in 1995 and 1996 were forbidden by the State Department's Standards of Conduct.

Those standards prohibit taking "gifts, favors, entertainment or loans" from "anyone who is seeking official action" from the State Department.

Parish, 52, acknowledges that he stayed free of charge at the COFCO properties. But he said the visits did not affect his decisions on visas.

"Did I ever abuse my position? No," he said in a telephone interview from his parents' home in Las Vegas. "I'm very emphatic about that. I'm very clear about that."

But Parish, who retired from the State Department last year, expressed regret about his use of the apartments. He acknowledged that it raised a question of a conflict of interest between his duties as a government official and his relationship with a corporate executive.

"It's clear to me now that this is regrettable, that it creates the appearance of at least a conflict of interest," he said.

THE ARIZONA REPUBLIC, March 29, 1999

It's unclear what action the State Department might take against Parish. The department's investigative arm, the Office of the Inspector General, said he could face criminal prosecution if his relationship with COFCO involved a quid pro quo. Parish insists there was none.

Parish's title at the embassy was first secretary and consul. He said that in his position as chief of the visa section, he was the "ultimate arbiter" of applications for visas, which are highly coveted in China and often difficult to obtain.

Asked if he had known he was violating State Department rules by staying at the COFCO properties, he said, "I really can't recall my state of mind at the time."

Parish said Mann was "a very warm, gracious, hospitable person," whom he met through business at the embassy.

He said he didn't think Mann had offered him the apartment to influence his decision.

"I'm not looking for anything sinister behind that, and to this day, I'm convinced, we're friends," he said.

Mann is the president of BNU, a Phoenix subsidiary of COFCO.

COFCO is the China National Cereals, Oils and Foodstuffs Import & Export Corp. Fortune magazine last year placed the corporation, which is directed by the Chinese Ministry of Foreign Trade, 309th on its list of the world's 500 largest companies. It ranked ahead of such American giants as Time Warner and Alcoa.

BNU manages the center and Chinese-owned real estate in Phoenix, Las Vegas and Los Angeles. It also provides auto loans and owns three shoe factories in China.

The Norwalk property where Parish stayed was the Palm Country Club, a six-building apartment complex comprising 249 units that rent for \$885 to \$1,085 per month. Until last month it was owned by a partnership consisting of COFCO and the Chinese People's Liberation Army.

The PLA, which has branched out into a wide range of business ventures in China and the United States, bought into the property in 1992 through a U.S. subsidiary.

State Department spokeswoman Maria Rudenski said she could not comment on Parish's use of the COFCO apartments. She would only confirm that he was a visa officer at the embassy.

Caroline Custer, former manager of the Palm Country Club, said Parish stayed at the two-bedroom corporate apartment that was normally reserved for COFCO employees. She estimated that he stayed there between four and six times.

Custer said she received instructions about Parish's visits from Mann.

THE ARIZONA REPUBLIC, March 29, 1999

"Elizabeth would call me and let me know that he was coming in and to be sure that the corporate apartment was available and cleaned and ready for him," Custer said.

Custer said Parish usually stayed at the apartment in the company of young Chinese women. Parish said the women were "friends or acquaintances."

"He would come and stay two, three, four days at a pop, and we would have a fruit basket or something delivered there for him," Custer said.

"I remember times when he would be in the corporate suite and our own employees would have to stay in a hotel.

"I did think it was kind of strange that we would be paying for a hotel for (COFCO) employees and he'd be staying in a corporate apartment. That surprised me. So I realized it must have been something important."

Custer said Mann "always wanted to make sure that he was treated well."

Mann did not return calls about Parish's stays at the Norwalk property. But she had earlier acknowledged that Parish had stayed at another COFCO apartment complex, Gloria Park Villas in Las Vegas.

"He said, 'It's a beautiful place,' and we said, 'If you'd like to stay, you can stay for a night,' " Mann said. "He didn't have to. His parents live in Las Vegas."

Mann acknowledged that Parish, as head of the visa section at the embassy, provided assistance to COFCO.

"If we have a problem, we consult him on certain issues: how we apply," she said. "But we never ask him to issue visas blankly. We never have to. Why should we?"

Parish attended Arizona State University from 1968 to 1974. He later earned a degree from Chapman College in Orange, Calif.

Mann is a native of China whose given name is Ning Yu. She took her American name around 1992, when she and her husband, Frederic, became U.S. citizens.

Mann said Parish had visited COFCO's Phoenix offices several times during his tenure at the State Department.

"We just wanted him to visit our company, that's it," she said. "Like many other people visit our company, he's just one of those people. We want to promote Phoenix."

LANGUAGE: ENGLISH

LOAD-DATE: March 30, 1999

ATTACHMENT 2

VS OFFICE Electronic Mail Friday 07/14/95 08:25 am

To: Charles Parish BEIJING
 From: cofco@PRIMENET.COM
 Subject: Mr. Lin, Full Date: 05/25/95
 Forwarded By: cofco@PRIMENET.COM

Distribution:

Not Requested

RETURN-PATH: <cofco@primenet.com>
 RECEIVED: FROM PUBHOST.US-STATE.GOV BY DOS.US-STATE.GOV ; 25 May 95 04:37:38 -0400
 Received: by pubhost.us-state.gov; id AA08763; Wed, 24 May 95 23:59:29 GMT
 Received: by castle.us-state.gov; id AA26589; Thu, 25 May 95 00:00:27 GMT
 Received: from mailhost.primenet.com(198.68.32.50) by castle.us-state.gov via smap (V1.3mjr)
 id sma026582; Thu May 25 00:00:12 1995
 Received: from ip220.phx.primenet.com (ip220.phx.primenet.com [198.68.46.220]) by mailhost.primenet.com (8.6.11/wjp-h2.0) with SMTP id RAA01617 for <Charles.Parish@DOS.US-STATE.GOV>; Wed, 24 May 1995 17:01:09 -0700
 Date: Wed, 24 May 1995 17:01:09 -0700
 Message-Id: <199505250001.RAA01617@mailhost.primenet.com>
 X-Sender: cofco@mailhost.primenet.com (Unverified)
 X-Mailer: Windows Eudora Version 1.4.4
 Mime-Version: 1.0
 Content-Type: text/plain; charset="us-ascii"
 To: Charles.Parish@DOS.US-STATE.GOV
 From: cofco@PrimeNet.Com
 Subject: Mr. Lin, Full

Mr. Lin, Full is having difficulties in Beijing obtaining his L-1 visa to come to the United States for himself and his wife. The embassy has informed him that it usually takes 30 days for them to receive notice from the U.S. Mr. Lin received his approval on May 3, 1995, which would mean that he will not be able to return for another two weeks. Regarding his wife's L-2 visa, the embassy requires his tax return. As you know, Mr. Lin was only recently assigned to work in the United States and has not filed a tax return and will not until year end.

Mr. Lin is needed at BNU very badly as we cannot proceed on our business projects without him. We would very much appreciate anything that you can do to help him return as soon as possible. We will provide you with any documents that you believe are necessary to expedite the L-1 issuance. Please let us know how we can help. Thank you very much for your assistance.

Sincerely,

Elizabeth Mann

ATTACHMENT 3

VS OFFICE Electronic Mail Thursday 08/03/95 04:52 pm

To: Charles Parish BEIJING
From: cofco@PRIMENET.COM
Subject: Mr. Lin, Mrs.Wang Date: 06/13/95
Forwarded By: cofco@PRIMENET.COM

Distribution:

Not Requested

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RETURN-PATH: <cofco@primenet.com>
RECEIVED: FROM PUBHOST.US-STATE.GOV BY DOS.US-STATE.GOV ; 13 Jun 95 13:25:25 -0
400
Received: by pubhost.us-state.gov; id AA28755; Tue, 13 Jun 95 16:18:56 GMT
Received: by castle.us-state.gov; id AA23241; Tue, 13 Jun 95 16:19:51 GMT
Received: from mailhost.primenet.com(198.68.32.50) by castle.us-state.gov via s
map (V1.3mjr)
    id sma023238; Tue Jun 13 16:19:26 1995
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y mailhost.primenet.com (8.6.11/vrjp-h2.0) with SMTP id JAA21225 for <Charles.Pa
rish@DOS.US-STATE.GOV>; Tue, 13 Jun 1995 09:20:30 -0700
Date: Tue, 13 Jun 1995 09:20:30 -0700
Message-Id: <199506131620.JAA21225@mailhost.primenet.com>
X-Sender: cofco@mailhost.primenet.com
X-Mailer: Windows Eudora Version 1.4.4
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
To: Charles.Parish@DOS.US-STATE.GOV
From: cofco@PrimeNet.Com
Subject: Mr. Lin, Mrs.Wang

```

Dear Charles:

Thank you very much for helping Mr. Lin and Mrs. Wang. Mr. Lin is now back in the U.S. and both of them are grateful that you have helped them.

Please send me a message through internet E-mail when you receive this message. I would like to know if our mail box works.
Our mail box address: (in all small letters) cofco@primenet.com

Thanks again!

Elizabeth N. Mann

ATTACHMENT 4

INTEROFFICE MEMO

Date: 03/30/98
To: RSO - J. McWhirter, M. Chu
CC: Charge - Mr. McCahill; CG - D.L. Lyon
From: Nonimmigrant Visa Unit - *DM* D.P. Halpin
Subject: Another Report on Past Visa Malfeasance

I had a meeting on Friday afternoon, March 27th, with Cynthia Bushman of Velmur Investments H., Inc. of San Diego, California. Ms. Bushman's firm wishes to sell California real estate to wealthy Chinese business people and she had questions on visa procedures. Ms. Bushman is a Filipina-American who used to reside in Beijing with her ex-husband, who was a business representative for a U.S. firm in the agricultural business. She said she is well acquainted with Mr. Xie of our Embassy from the time she lived here.

Ms. Bushman said that she wished to be "above board and follow proper procedures" in NIV processing in Beijing "especially after what happened with your predecessor." She said that there was a Filipino-American in California who had been involved in visa processing with Charles Parish and so "a lot of people in California are aware of what happened." Playing stupid, I asked her what exactly she meant. Ms. Bushman replied "Visas for S-E-X." Ms. Bushman left her business card and said she periodically comes to China on business.

ATTACHMENT 5

Mr. Ambassador
U.S. Embassy
People's Republic of China

David Chen
Chinese-American Association
525 Market St. Suit 1008

September 28, 1995

Dear Mr. Ambassador:

When I was on vacation in Peking last month I have gotten a lot complains regarding the illegal activities in you visa office. Some of your employees sell the visa to the citizen of China, the others receive bribe.

This is involved not only the Chinese translators but also the vice consul. They received the money and the valuable gift from the Chinese persons who eagerly want to get visa to America for varies reasons included the economic criminal. The price of each visa is from \$20,000 to \$30,000 (U.S.Dollars) that is 30 years' income of the average Chinese people.

Kindly make the necessary investigate and action against the illegal actions, to defend the interest of America as well as the Chinese people.

Very truly yours,

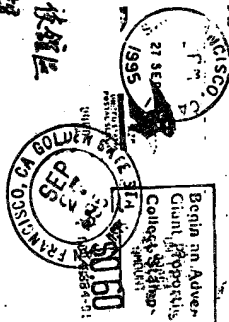
David Chen
David Chen

David Chen
Chinese-American Association
525 Market St. Suite 1008
San Francisco, CA 94108

中國北京建國門外使館區
美國駐中國大使館

大使先生收

Mr. Ambassador
U.S. Embassy
People's Republic of China



ATTACHMENT 6

Office of Inspector General

Information of Record Form

Case No: 98-039	Date: 2/27/98
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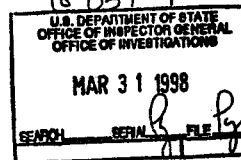
GUO HAI FAN
Chinese National
Burlington, VT

GUO HAI FAN, an illegal Chinese alien was interviewed at the Burlington Airport, located in Burlington, VT, by Special Agent Natalie C. Murphy, with the U.S. Department of State, Washington, D.C. and Special Agent [redacted] with USINS, Border Patrol, Sector Headquarters, Canadian Border Intelligence Center, Swanton, VT, telephone number: [redacted]. FAN provided substantially the following information:

FAN stated that he had the opportunity to purchase a L-1 multiple-entry visa a couple of years ago from an individual by the name of Feng Li, a manager with People's Republic of China Immigration Authority. FAN related that he met Li and a woman identified only as Mrs. Zhao, at a business trade show in Beijing in December 1995. FAN described Zhao as in her early forties and an employee at the U.S. Embassy. It was said that she can arrange for a multiple-entry L-1 visa for FAN for \$7,000. It was also said in this meeting that he should not take too long to think about this because the other Embassy employee involved in this scheme, who goes by the name of "Paul", was due to rotate back to the U.S. soon. Zhao's home phone number is: [redacted] and her work number at the Embassy is 10-665323431, ext 234. "Paul" was described as a black, male employee. Zhao also said she could get other types of visas. FAN did not purchase a visa from Li or Zhao, he said he did not want to pay the \$7,000 they were asking.

FAN was shown the Foreign Service National (FSN) staffing pattern and identified the name of the visa assistant, Guangqian Zhao, as the Embassy employee he met with.

Upon his return to Beijing, FAN was asked to contact Li to determine if visas can still be purchased from the U.S. Embassy in Beijing.



Interviewed On: 2/27/98	At: Burlington, VT
Date Drafted: 3/3/98	By: SA Natalie C. Murphy [initials]

This document contains neither recommendations nor conclusions of the OIG. It is the property of the OIG and is loaned to you for official purposes only. It and its contents are not to be distributed without permission of the OIG.

ATTACHMENT 7



中國石化國際事業公司
SINOPEC INTERNATIONAL

Charles M. Parish Jr.
First Secretary and Consul
Embassy of the United States of America

August 24th, 1995

Dear Mr. Parish,

It was my great pleasure to be introduced to you during the dinner we had in Beihai Park. Our conversation was very pleasant, and I was extremely impressed by your expedition to the Northwest Desert.

Actually I heard about you long ago, and was especially grateful to you for the convenience you had created prior our last trip to your esteemed country.

As remarked by Mr. Yan Sanzhong, Vice President of SINOPEC, we appreciate the great support you've provided our company over the years, and we would be very honored if we are given a chance to reciprocate it.

Good understanding breeds sound relationship. As I proposed, if you want to gain a vivid insight into China's petrochemical industry, our production facilities will be kept open to you and your colleagues at the US Embassy at any time. Besides, we'd feel even more happy to host you a boat trip to the Three Gorges. I can assure you that it would be a rather comfortable and exciting expedition to the native culture, history and sceneries. If you can take several days out of your busy schedule next month, I'd like to accompany you and show you some of our people at Chongqing and Wuhan.

I'll call you next week for a reply. Thanks again for all your support. Looking forward to talking to you soon.

Yours sincerely,

Tang Jie 
Manager, American Affairs
Liaison Office
SINOPEC INTERNATIONAL

ATTACHMENT 8

DIPLOMATIC SECURITY

PAGE 01 OF 03 BEIJING 140500 00 OF 02 021122Z 0750 001745 053002

ACTION 05-00

TO W-01 NEW-01 (R-01) /003, 02

INFO: 1405-00 GAST-00 TERM-00 ASD-00 4000-01 0000-00 /001W
-342000 021122Z /J0R 021122Z MAY 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 1824

UNCLAS BEIJING 014050

DS CHANNEL

SENSITIVE

FOR DS/OP/LEAD, DS/CR/WF

E.O. 12958: N/A

TAGS: ASAC

SUBJECT: POSSIBLE VISA MISCONDUCT/ETHICS VIOLATIONS

1. NAME OF CASE SUBJECT TO BE PROVIDED BY SEPARATE
CORRESPONDENCE.2. ASD WAS REQUESTED BY CHARGE TO PARTICIPATE IN A
MEETING WITH SUBJECT, CONGEN, AND THE HEAD OF AMERICAN
CITIZENS SERVICES. THE PURPOSE OF THE MEETING WAS TO
DISCUSS ALLEGATION OF QUESTIONABLE CONDUCT BY SUBJECT IN
HIS POSITION IN THE EMBASSY BEIJING VISA SECTION. SUBJECT
RETURNED THE EVENING OF 30 APRIL, 1996 FROM A TRIP TO THE

UNITED STATES. THE MEETING OCCURRED ON 1 MAY 96.

3. INFORMATION PRIOR TO RETURN OF SUBJECT SHOWED THAT HE
HAD TRAVELED WITH TWO FEMALE CHINESE CITIZENS:- YANG, LI PING [REDACTED], DOB 13 MAY 62, A LOCAL
EMPLOYEE. DIPLOMATIC SERVICES BUREAU WHO HAS BEEN ACTING
AN ASSISTANT TO SUBJECT AND SITS WITH HIM IN HIS OFFICE,
AND- JI, TING [REDACTED], DOB 16 JUNE 71, NO KNOWN
ASSOCIATION WITH SUBJECT.4. CONSULATE RECORDS INDICATE THAT SUBJECT ISSUED VISA
FOR THE TWO WOMEN. ALL THREE SETS OF TICKETS FOR THE
FLIGHT CAME FROM THE SAME TRAVEL AGENCY AND ALL WERE
BOOKED ON THE SAME FLIGHT.5. THE PRE-INTERVIEW INFORMATION ALSO REVEALED THAT THE
SUBJECT WAS GIVEN A BIRTHDAY PARTY IN JANUARY 1996. THE
PARTY WAS HELD IN THE BALLROOM OF THE QUNING HONG REGENT
HOTEL, ALSO KNOWN AS THE SHUANIAN FAMILAND. IT WAS A LARGE
PARTY WHICH MOST MEMBERS OF THE CONSULATE STAFF ATTENDED.6. THE CONGEN OPENED THE DISCUSSION WITH COMMENTS
REGARDING HIS CONCERN ABOUT THE LAX PROCEDURES IN THE VISA
SECTION. THESE INCLUDED THE INADEQUATE CONTROLS WHICH
LEAD TO ACCOUNTABILITY PROBLEMS FOR THE MONEY RECEIVED FOR
VISA FEES AND FOR THE VISA POLLS. THESE LAX CONDITIONS
ALONG WITH THE QUESTIONABLE PRACTICE OF SPECIAL TREATMENT
FOR SOME CLIENTS HAD LEAD TO A GENERAL PERCEPTION OF
IMPROPRIETY IN THE U.S. EMBASSY VISA SECTION.7. SUBJECT WAS THEN QUESTIONED ABOUT HIS RECENT TRIP.
SUBJECT STATED THAT HE PURCHASED HIS OWN TICKET USING HIS
PERSONAL FUNDS FROM A PUBLIC AGENT RECOMMENDED BY THE
NORTHWEST AIRLINES OFFICE. HE PAID A FEE FOR THE TICKET
THAT WAS AVAILABLE TO ANY QUALIFIED PURCHASER. HE STATEDBEIJING 140500 00 OF 02 021122Z 0750 001745 053002
THAT HE HELPED ARRANGE FOR THE TICKETS FOR THE TWO TRAVEL
COMPANIONS BUT DID NOT PAY FOR THEIR TICKETS, AND DID NOT
KNOW THE SOURCE OF THE MONEY USED TO PAY FOR THEIR
TICKETS. HE FURTHER STATED THAT THE TWO WOMEN WERE HIS
FRIENDS AND THAT THERE WAS NO ADDITIONAL RELATIONSHIP. HE
ALSO SAID THAT THE TWO WOMEN TRAVELED WITH HIM TO AND FROM
THE U.S. ON THE SAME FLIGHT AND SPENT VARIOUS PORTIONS OF
TIME WITH HIM DURING THE TRIP.8. ASD REMINDER SUBJECT THAT DEPARTMENT POLICY REQUIRES
THAT HE REPORT ANY PERSONAL RELATIONSHIP WITH A CHINESE
NATIONAL IN WHICH THERE IS AFFECTION, INFLUENCE, OR
OBLIGATION. ASD ALSO REMINDER SUBJECT THAT HE MUST REPORT
INSTANCES OF COHABITATION WHICH IS DEFINED AS SHARING THE
SAME LIVING QUARTERS WITH FOREIGN NATIONALS FOR THE BETTER
PART OF ONE YEAR. SUBJECT DID NOT RESPOND TO THESE
REMINDERS.9. SUBJECT WAS ASKED IF HE HAD EVER RECEIVED ANY ITEM OF
MATERIAL VALUE INCLUDING GIFTS, FAVORS, OR ENTERTAINMENT
FROM ANYONE WHO HAS INTERESTS THAT MAY BE SUBSTANTIALLY
AFFECTED BY THE PERFORMANCE OR NON-PERFORMANCE OF HIS
PERSONAL DUTIES; VIS-A-VIS, THE ISSUANCE OF VISAS. THE
SUBJECT RESPONDED THAT HE HAD RECEIVED AS WELL AS GIVEN
SMALL GIFT ITEMS BUT HE HAD NOT RECEIVED ANYTHING OFSIGNIFICANT VALUE. HE WAS THEN QUESTIONED ABOUT THE
BIRTHDAY PARTY HE WAS INVOLVED WITH IN JANUARY 1996. HE
STATED THAT THIS WAS A PARTY GIVEN BY HIS FRIEND (CON,
XUE), THAT THE PARTY WAS ALSO A BIRTHDAY PARTY FOR HER,
AND THAT HE DID NOT REMEMBER THE LOCATION. SUBJECT STATED
THAT MEMBERS OF THE CONSULATE HAD ATTENDED BUT HE DID NOT
RECALL WHO THEY WERE INVITED. ACS READ INTERJECTED THAT
HE HAD SEEN INDIVIDUAL INVITATIONS FOR MEMBERS OF THE
CONSULATE STAFF, AND THAT THE INVITATION INDICATED THAT
THE PARTY WAS FOR SUBJECT. IN RESPONSE TO QUESTIONS AS TO
THE NATURE OF CON'S BUSINESS, SUBJECT STATED THAT SHE HAD
A U.S. REAL ESTATE DEVELOPMENT COMPANY. SUBJECT ADMITTED
THAT CON SPONSORED SOME VISA REQUESTS. CONGEN THEN
PRODUCED A STACK ABOUT 150 LETTERS OF INVITATIONS SIGNED
BY CON WHICH HAD BEEN FOUND IN SUBJECT'S OFFICE DURING HIS
ABSENCE. THE CONGEN HAD RETRIEVED THE LETTERS ALONG WITH
THE ASSOCIATED OF-1545 TO USE AS EXAMPLES OF IMPROPER
HANDLING OF CONSULATE PAPERWORK, BUT HAD NOT KNOWN OF ANYASSOCIATION WITH THE BIRTHDAY PARTY UNTIL THIS DISCUSSION.
SUBJECT CLAIMED THAT HE HAD HELD ON TO THE PAPERWORK TO DO
AN UNOFFICIAL STUDY OF HOW MANY PEOPLE ACTUALLY RETURN TO
CHINA WHEN ISSUED THIS TYPE OF VISA.10. SUBJECT WAS ASKED TO DISCUSS OTHER CHINESE
RELATIONSHIPS AND FRIENDS. HE STATED THAT HE ENJOYED
INTERACTING WITH THE CHINESE COMMUNITY, AND THAT HE "WAS
NO ROOM." ASD REMINDER SUBJECT THAT HIS PERCEPTION OF A

RELATIONSHIP WAS NOT NECESSARILY THE ONE WHICH WOULD

DETERMINE IF HIS ACTIVITIES VIOLATED THE CODE OF ETHICAL
CONDUCT. AN INDIVIDUAL WHO GAVE HIM A GIFT OR FAVORS AND
LATER RECEIVED A VISA FROM HIM MIGHT CAUSE OTHERS TO
QUESTION HIS MOTIVATION, I.E., HE WOULD HAVE ENGAGED IN AN
ACTIVITY THAT CREATED THE APPEARANCE THAT HE WAS VIOLATING
THE LAW OR ETHICAL STANDARDS. SUBJECT WAS THEN
SPECIFICALLY ASKED IF HE HAD EVER HAD A INTIMATE
RELATIONSHIP WITH ANYONE TO WHOM HE HAD SUBSEQUENTLY GIVEN
A VISA. SUBJECT REMAINED SILENT AND DID NOT RESPOND.
HOWEVER, AFTER THE MEETING SUBJECT CAME TO THE ASD OFFICE
AND EXPLAINED THAT HE DID NOT RESPOND BECAUSE HE DID NOT
WISH TO DISCUSS HIS PERSONAL LIFE IN FRONT OF THE OTHER

UNCLASSIFIED

UNCLASSIFIED
DEPARTMENT OF STATE
DIPLOMATIC SECURITY

INCOMING
TELEGRAM

PAGE 02 OF 02 BELJIN 1400A 00 OF 02 021122Z 0700 AMSTER 02300Z

TWO OFFICERS. HE SAID THAT THERE WAS ONE PERSON WITH WHOM HE HAD AN INTIMATE RELATIONSHIP, BUT THAT HE WOULD HAVE TO CHECK CONSULATE RECORDS TO SEE IF HE ALREADY HAD A VISA PRIOR TO THEIR ENCOUNTER. HE ALSO STATED HIS DESIRE TO COOPERATE FULLY AND ANSWER ANY QUESTIONS. ALL THOSE PRESENT DURING THE EARLIER INTERVIEW WERE LEFT WITH THE IMPRESSION HIS RESPONSES WERE CHARMING AND REASSURING.

11. THERE ARE A NUMBER OF OUTSTANDING QUESTIONS THAT COULD BE INVESTIGATED REGARDING SUBJECT'S ACTIVITIES IN THE CONSULATE. DID THE TWO TRAVEL COMPANIONS PAY FOR THE VISAS? ARE PROPER FEES BEING PAID FOR THE VISA PROCESSES FOR 2007 TWO COMPANIES UNDER ABOVE NAMES 200 RECENTLY ISSUED LETTERS OF INVITATION ARE:
-DETROIT CITY INTERNATIONAL CORPORATION, 65-20 ALBERTSON STREET, FOREST HILLS, NY 11374, TELEPHONE 718 458 8300
-THE LIGHT CITY & GONG HUA CORP., 6727 ALBERTSON STREET, FOREST HILLS, NY, 11374-3231, TELEPHONE 718-458-3532

ARE THERE VALID CREDENTIALS?

12. THE GENERAL OPINION OF THE COMCON AND ACT HEAD IS THAT THE SUBJECT WAS NOT ACCEPTING MONEY FOR SERVICES. THIS WOULD BE DIFFICULT TO PROVE OR DISPROVE GIVEN THE POOR LACK OF CONTROLS AND THE HIGH VOLUME OF VISA ACTIONS C/D, AM/ED. THE COMCON HAS INITIATED STRINGENT CONTROLS WHICH SHOULD ALLEVIATE THE ACCOUNTABILITY PROBLEM.

13. ACTION: REQUEST ADVISORY REGARDING FURTHER INVESTIGATION. IT SHOULD APPEAR THAT SUBJECT HAS VIOLATED THE CODE OF ETHICAL CONDUCT REGARDING THE DIETARY PRIORITY AND UNWILL, AT A MINIMUM, RECEIVE A LETTER OF REPRIMAND FROM POST. IS ACTION BY POST ON THE ETHICS ISSUE SUFFICIENT, OR IS IT A REQUIREMENT THAT POST REPORT THE INCIDENT TO THE OIG? IF THE OIG IS TO BE NOTIFIED, WOULD POST SEND A TELEGRAM SPECIFICALLY ADDRESSING THAT ISSUE OR WILL BE POST THIS TELEGRAM ON FOR THEIR REVIEW? NOTE THAT THIS CASE DOES NOT APPEAR TO BE DIRECTLY RELATED TO VISA FRAUD INVESTIGATION T-00-00000 AM/ED WILL BE ADDRESSED IN

REFPO.

HALFP00

SENSITIVE

SENSITIVE

ATTACHMENT 9

INTERVIEW OF PAUL HOROWITZ

On June 14, 1999, David Kass, Kevin Davis, and Michael Yaeger of the Government Reform Committee interviewed Paul Horowitz of the State Department. Also present from the State Department were Dean Pittman of the Legislative Affairs office, and Mary Comfort of the legal counsel's office.

Background

Horowitz worked in the Beijing embassy in the nonimmigrant visa ("NIV") section from January 1994 until December 1995. Horowitz served under Richard Haynes and Charles Parish during the time that he was in Beijing.

Parish's Conduct

Horowitz stated that Parish did keep a separate set of application files in his office. Junior officers complained about this fact to Dan Piccuta, head of ACS. When Piccuta confronted Parish about the files, Parish explained that he was keeping the duplicate files as a kind of anti-fraud tracking device.

Horowitz stated that when a senior officer overturns an application rejection by a junior officer, it is usual to provide an explanation of why it was overturned. Horowitz had many of his decisions overturned and never received an explanation from Parish. After a while, the Consul General, Mecias, began to require that any time a rejection was overturned, there had to be a written explanation. This change was implemented solely because Parish so frequently overturned junior officers' rejections without explanation.

People who tried to complain about Parish were "squashed." Horowitz stated that while Parish could be friendly and gregarious, when challenged, he would "put his Marine uniform quite quickly." The office generally dealt with Parish by maneuvering behind his back, and trying to limit the damage that he caused. Toward the end of Parish's stay, Mecias, Piccuta, and Horowitz frequently met to discuss how to limit the damage that Parish was causing.

Complaints About Parish

Complaints about Parish began early in his tenure. However, the Consul General, Mecias, wanted to keep the problems internal. However, eventually, stories about Parish got outside into the rest of the embassy.

The embassy's diplomatic security people had been tracking the Parish situation informally. DS knew that there was some sort of problem with Parish.

Parish and Mecias had had several "closed-door sessions" regarding Parish's conduct, and Horowitz indicated that Parish would generally listen to Mecias. Horowitz believes that he first complained about Parish to Mecias in November or December of

1994. Horowitz had likely complained informally to Dan Piccuta even earlier. Horowitz stated that there was a denial on Mecias part for a long time regarding Parish. Piccuta was more active in getting the embassy to take some action regarding Parish.

Starting in the fall of 1994, Horowitz became Parish's deputy. This was largely an administrative position, and it became a position that was rotated among the junior officers. The junior officers used this position to minimize the collateral damage that Parish's behavior was causing.

Parish's Dealings with Chinese

Parish traveled a fair amount. He was sent to several offices on State Department business, and he also traveled in China on personal travel. Horowitz recalls Parish telling him that he was going to visit the Sichuan province to see the Three Gorges area. When Parish returned, he was very disappointed because he had never left Beijing. Whoever Parish was traveling with took him around to a series of banquets in Beijing, rather than taking him to the Three Gorges. Horowitz believes that it was a person from a travel agency that was taking Parish around. Horowitz stated that this story showed a certain naivete on Parish's part, no recognizing that many Chinese wanted to take a powerful American official around to banquets, without Parish realizing.

Parish had many Chinese friends, but Horowitz believes that most were friends simply because of his position.

Parish had many gifts in his office, and the junior officers would joke that Parish's office looked like a gift shop. Parish was quite open about receiving gifts from the Chinese. Mecias had discussions with Parish about this. Horowitz also visited Parish at his apartment once or twice. He recalls that long after Parish had moved in, it looked like Parish had just gotten there – there were many boxes still lying around.

Horowitz knows that Parish had Chinese girlfriends, but doesn't think that he lived with anyone.

Horowitz has no specific recollection of dealing with COFCO or Elizabeth Mann.

Johnny Chung

Horowitz might have met Johnny Chung in Beijing. After his tour in Beijing, Horowitz went to Hong Kong. As part of his work there, Horowitz looked for records relating to Chung. From reviewing those documents, it appeared that Chung had been to the consulate there as well.

Horowitz saw Parish's picture from the fundraiser, which had Parish standing between the President and Vice President.

Parish Investigation

Horowitz was contacted by Diplomatic Security and the Inspector General during their investigation of Parish, but the FBI never contacted him.

ATTACHMENT 10

INTERVIEW OF CHRIS HEGADORN

On June 14, 1999, David Kass, Kevin Davis, and Michael Yaeger of the Government Reform Committee interviewed Chris Hegadorn of the State Department. Also present from the State Department were Dean Pittman of the Legislative Affairs office, and Mary Comfort of the legal counsel's office.

Background

Hegadorn served in the Beijing embassy from February 1994 until late May 1996. Hegadorn served as a junior officer in the nonimmigrant visa ("NIV") section. Hegadorn explained that there were three main duties in the U.S. consulate in China: (1) nonimmigrant visas for Chinese individuals visiting the U.S.; (2) American Citizen Services ("ACS"), for U.S. citizens visiting China; and (3) immigrant visas. NIV and ACS were handled in the U.S. consulate in Beijing, and immigrant visas were handled in Guangzhou.

When Hegadorn started, Richard Haynes was in charge of NIV, and Arturo Mecias was the Consul General, overseeing NIV, IV, and ACS. Dan Piccuta was the officer in charge of ACS. Shortly after Hegadorn's arrival, Haynes was replaced with Charles Parish.

Hegadorn then explained his duties under Haynes. Hegadorn and the other NIV junior officers would interview visa applicants. The main purpose of the interviews and the applications was to determine whether the individuals would return to China. Haynes would supervise the junior officers. He would work the visa window if other officers were out sick. Generally, he would only handle NIV applications of high-profile individuals when there was a particular political interest in their case. Haynes would review the junior officers work, and had the right to overturn refusals made by junior officers.

No Contacts by Other Investigators

When asked who had contacted him about Charles Parish, Hegadorn stated that he had never been contacted by the FBI, State Department Diplomatic Security, or the Inspector General's office. Hegadorn did speak some with the RSO while he was on post in Beijing regarding Parish.

Parish's Handling of Visa Applications

Parish's handling of the NIV office was very different from Haynes'. Parish would often stand behind the junior officers while they worked on the visa lines. Parish also spent more time re-interviewing applicants that had been rejected by the junior officers. Parish would have his assistant, Ms. Yang, call individuals that had been rejected, and schedule them for re-interviews. Parish would conduct these re-interviews either sua sponte, or based upon a formal petition by the rejected applicant.

Hegadorn stated that it was common for American citizens to make introductions of visa applicants to the officer reviewing the application. Hegadorn stated that while it was common, they tried to not let it influence their judgement.

Parish kept his own set of files regarding a number of visa applicants. This was abnormal, and Haynes did not keep any such files. At first, Parish kept a number of original visa application folders in his office. After complaints from junior staff, Parish eventually agreed to keep duplicate files in his office. Ms. Yang, a Chinese citizen who worked at the embassy as Parish' assistant, kept the files. The junior officers did not complain about Parish keeping duplicate files, and complained only to the extent that it interfered with their work.

Parish explained his contact with Chinese citizens by saying that he was interested in Chinese students, photography, art, and was trying to keep in touch with what was going on in Chinese society.

Hegadorn stated that Parish's handling of visa applications was no secret, especially to the Chinese. Hegadorn did see an article in a local Chinese magazine indicating that it was easy to get a visa from Parish. Hegadorn also indicated that he heard that the Chinese had a nickname for Parish, "Lao Hei," or "Old Black." This nickname was used in the context of describing that "lao hei" was a good person to get a visa from.

The two rumors that Hegadorn and the other junior officers heard about Parish were first, that he was very lenient in granting visas, especially to students, and second, that he had a preference for young attractive women, and would grant visas to them, in addition to engaging in personal relationships with them.

When asked about the accounting system at the embassy, Hegadorn stated that applicants paid \$20 before entering the line at the embassy. There was never any problem with theft of these funds, to Hegadorn's knowledge.

Hegadorn would have several of his refusal decisions a week overturned by Parish. (Hegadorn stated that the NIV office would handle between 400 and 600 applications a day.) Other junior officers were overturned at the same rate, and had similar problems with Parish.

Hegadorn stated that Parish generally thought that leniency was the best policy with visa issuance. If there was any doubt, Parish would generally err in favor of granting the visa. He believed that the INS would discover any problems if a person overstayed the visa.

Parish's Contacts with Chinese

When asked about Parish's relationships with the local Chinese, Hegadorn did state that he saw Parish out at Chinese bars on occasion, but Hegadorn did not go out very much, so he wouldn't know how often Parish was out. Parish would tell others in the embassy that he had been out with various Chinese, and he also made it clear that he had personal relationships with Chinese women.

When asked about Parish's travel, Hegadorn stated that Parish was sent on temporary duty to Guangzhou to work in the visa office, and he was also sent to the Chinese border to work with the Harry Wu situation.

Hegadorn has no specific recollection of any dealings with COFCO. It was common for the embassy to receive applications through the foreign ministry, sponsored by various state-owned Chinese companies. These applications were generally granted.

Johnny Chung

Hegadorn has no specific recollection of meeting Johnny Chung. He does remember receiving computer training in Chinese language software, but he does not remember who gave the training. Updating the office's software was a big priority of Parish's.

Once, Parish returned from a trip to the U.S., and had a photo of himself standing with the President. Parish went to the U.S. with Ms. Yang. Hegadorn believes that Parish arranged for her visa.

Hegadorn named the other officers that he served with in Beijing: Paul Horowitz, Richard Gaffin, Kai Ryssdahl, Stephanie Fossan, Evan Betzer, and Ann McConnell.

Parish's Receipt of Gifts

Hegadorn does not recall hearing anything about Parish receiving money from visa applicants. Asked whether Parish lived beyond his means, Hegadorn stated that Beijing was very cheap, and it would be difficult to tell.

There were a number of gifts in Parish's office. There were constantly gifts coming into the office, but there was a strict prohibition against receiving gifts over \$20 in value. However, the junior officers were told to take no gifts, even if they were below \$20. However, Parish had many gifts in his office, including a large painting.

Investigation of Parish

At the time that Hegadorn was leaving in May 1996, the DCM and the Ambassador became aware of Parish. The main embassy was in a separate building, and was therefore isolated from the problems. The junior officers in NIV had complained to

Piccuta, who was head of ACS. Mecias, who oversaw Parish, was not interested in hearing the junior officers' complaints.

When Fossan and Ryssdahl came to Beijing in the Spring of 1996, they helped bring the complaints about Parish to a new level. The junior officers met with Hallford, the DCM, and complained about Parish. Once Hallford found out how serious it was, he took action. However, Hegadorn and others had been complaining for a long time (to others) without any action.

Hegadorn never heard of much follow-up being done in the Parish investigation once Parish left Beijing.

ATTACHMENT 11

STATE DEPARTMENT FEDERAL CREDIT UNION
 1430 KING STREET • P.O. BOX #1430
 ALEXANDRIA, VIRGINIA 22313-2030
 TELEPHONES (703) 796-5000 • METRO AREA • (800) 296-8822 - T.S.
 (703) 684-1613 - FAX

ACCOUNT NUMBER **DATE** 3/26/98
NAME Charles M. Parish Jr. **PLEASE PRINT**
OFFICE TELEPHONE NUMBER **HOME TELEPHONE NUMBER**

FOR OFFICE USE ONLY

1	\$	7000	1	\$	
2	\$		5	\$	
3	\$		6	\$	
TELLER ID NUMBER			TOTAL		
O/R AUTHORITY			CASH		
INSTRUCTIONS			TOTAL		
NO			ON CR		
NET DEPOSITS/PAYMENTS			\$ 7000		
CASH RETURNED			\$		

DEPOSITS/PAYMENTS

CASH AND COINS	\$	
CHECKS	\$	7,000.00
TOTAL PRESENTED	\$	
CASH RETURNED	\$	

SUFFIX	AMOUNT
00	\$ 7,000.00
01	\$
19	\$
TOTAL DEPOSITS/PAYMENTS	\$ 7,000.00

DEPOSIT: YES NO; THE QUANTITY FOR ANY OTHER WITHDRAWAL

HONG ZHAO
828 W. ADAMS
MONTEBELLO, CA 90640

161
1-26 1998

Pay to the
Order of Charles Panish \$ 7000-

Seven Thousand only Dollars ☒ Security feature on back

EAST-WEST BANK 4-98
2825 VIA CAMPO
MONTEBELLO, CA 90640

For [Signature]

0000700000

011013871 19980204 06 006 98 SDFCU-ALEX >256075342<

03 FEB 98

0 Fed Deposit Amt

WRITE STATE DEPT. OFFICE
RE: EDUCATION
A/E-201

ENCLOSURE
AMERICAN
ACCOUNTING
STATE
DEPARTMENT
FCU
ALEXANDRIA, VA
703-723-1212

ENCLOSURE HERE
Charles Panish

FEDERAL RESERVE NOTE - 100 DOLLARS - 1998

ATTACHMENT 12



Embassy of the United States of America

September 11, 1995

MEMORANDUM

TO: CONS - Charles M. Parish
FROM: CONS - Arturo S. Macias *AS Macias*
SUBJECT: Visa Issuance

I have been given to believe that on Friday, September 8, you issued a number of visas to some secondary school exchange students from Guangxi Province to participate in some sort of exchange program in the United States.

I do not know if this is true, but if it is, I consider this highly inappropriate.

In future, I want you to confer with me before making a decision to issue visas to out-of-district applicants, particularly when they are in a category which we would consider problematic even if they lived in our own district.

ATTACHMENT 13

News paper Article about
the section -

北京纪事

96'4

在美国驻华使馆外
京城毕业分配大战
京城民居里的外交故事
杨沫帮我改文章
国安足球队的魅力



OUTSIDE THE EMBASSY OF THE UNITED STATES OF AMERICA

Hundreds of applicants line up for visas outside the American Embassy located in Xiu Shui Dong Jie early in 3am or 4am.

With red bands on their arms, an old guy named Chang and his wife keep the line order. Quite a lot of folding tools are prepared for the applicants. They collect one Yuan from each person for the service of number registration and folding tools. Some old, sick, disabled or worldly-wise persons often pay the Old Chang 40 to 50 Yuan for the early numbers without being noticed.

The Chang family's daily income is around 400 to 500 Yuan, around 10,000 per month. Sometimes more, sometimes less. Like days before, the government's agencies closed due to the unreachd agreements between the American Congress and Government so the embassy didn't issue any visas. Things lasted for 1 month and the old Chang had no income for that month. However, the Old Chang didn't look anxious. Loss of last month will be recovered in this one. Applicants waiting for two months look especially crowded outside. Due to the hard efforts by the Old Chang, a moving Chinese "hugh dragon" calmed down while waiting for the embassy door open in the chilly wind.

People whispered when they were waiting:

"How many times have you been here for the visa?"
 "Is it not easy during these days?"
 "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one."
 "Sometimes the 'white' one is also kind, like window 6, the guy with blue eyes and blond hair."
 "What should I do if I can't speak English?"
 "These Americans are all sinologues sound like that 'Da Shan' on TV."

Some of them have been refused many times. They are familiar with each other. Having exchanged the experience, summed up the lessons and found out the characters of these American diplomats, they prepared well for the challenge.

When it's getting light, people excited again, standing up from the stool. The others followed without any hesitation.

People standing there for 1 or 2 hours like they are here to purchase new market stocks. For not knowing when the door will be open, some of them don't dare to go to WC. An old man hesitated:

"Is there still enough time to go to the WC?"

He had no idea who he was asking for.

Some warm-hearted person answered him: "Just stick on a while otherwise you'll waste these hours for lining up."

Then abuses shouted up from the queue: "Why don't they make a WC outside? seems much piss in the cold days."

Some of them couldn't stand it then went to the corner of the building to release. But most people had suffered for their self-esteem.

Afterwards, several had been informed to enter the little room.

The Old Chang and his wife called the numbers on the list. The line moved slowly.

Applicants had to line up for the 170 Yuan application fee. Some had to pay 1000 Yuan for the multi-entry visa fee. After that, they needed to fill out the forms and wait for the interview.

It seems there is only one most important point for the visa standard "anti-immigration". So all questions and dialogues are based on this.

An old lady wanted to visit her daughter in the States. The young American with big nose, blue eyes asked her:

"What's your purpose to the States?"

"To visit my daughter. She's giving birth. Difficult labor."

The young American was confused with "difficult labor". He asked seriously again.

The old lady answered impatiently: "That means not easy to give birth. Baby's hip came out first."

The American consul still confused: "Where should be out first?"

"Head, head first, you understand!"

"Yeh, it must be dangerous. Why you go there alone? Where is your husband?"

"Passed away long time ago."

"Anyone related to you here in China?"

"Son and 'sun zi' are both in China. How could I immigrate?"

"What do you mean 'sun zi'? Is that an insulting word?"

The old lady explained to the young consul patiently: "It's not a insulting word. 'sun zi' is my grandson. Not a slang."

The American consul learned something new and very happy. He repeated: "'sun zi' grandson. OK, you passed."

Next was a young man being refused to study abroad for many times. The entrance time had passed. He had to try an idea taught by the others.

He came to the window, standing straightly, with right hand on his chest, then song American anthem. So the other American consuls had to stand up and song together. After that, the interview began.

Staring at his eyes, nothing special, the consul asked him: "Why did you sing our anthem?"

The young man said: "The American and the Chinese are friendly, it couldn't be exclusive. I'd like to study modern technics from the American people. I hope you'll support me."

"OK!" visa's issued.

Of course, some inapplicable applicants are quite rude. A middle-aged man in Western dress, holding cellular phone, shouted in the embassy: "Damn it! We are doing the science research. Your programe couldn't be done without our help."

The consul reviewed his forms and refused him. He was given the reason through the microphone: "Sir, you have no proper reason. You wife has no fixed income in the States and couldn't afford you. Please go out, otherwise we have to force you."

At this time, several Negro soldiers appeared beside him, he had to leave angrily.

Most of the refused applicants are assumed as immigration intendency. There are misunderstandings in some of them.

A single old man had been refused to visit his son for several times. He had no option. That morning, he sat in the wheel-chair and told the consul: "I have to take medication for my legs in the States. Here is the notice from the American hospital. I believe that only the American doctors can cure my legs and I was told the sooner the better." The consul issued him the visa.

When he picked up the yellow visa sheet, he stood up immediately, and said sarcastically: "I'm the doctor myself. I've cured many foreigners' sickness. The treatment condition in the States is much better but the technics is not as good as ours. He left the wheel-chair and walked quickly away.

For sure, the happiest is the Old Chang. For he knows those been refused will be back here some day, and that's the way his fortune comes from. The board in the fee collection place of the embassy is said "welcome next time".

The Old Chang's income is small potato compared with the embassy's. The income of visa fees per day is tens of thousand, and hundreds of thousand for one month. It is a good way of earning during the days full of disputes between the American Congress and Government.

But it's a big expense for chinese who are willing to go to the States, let alone standing in the chilly wind for ten hours. Some of them have to pay more than thounds yuan even ten thousands yuan for the transportation fee.

Actually here is another fact couldn't be ignored: The foreign students studying abroad are outstanding ones here in China. The chinese government paid much on them and after they finished their studies they become the tax payer of the American Government.

Look at this long line. When it could be shorten? When the "dragon" could turn it's head back?

Is this the way paving to the heaven or to the hell?

Article from magazine "Beijing Chronicle" April, 1996

北京纪事 '96.4



纪事论坛

心照不宣的“自费班” 石丛(1)

大家小品

酒量 毋国政(12)

京城内参

在美国驻华使馆外 闻宫(4)

本刊专稿

京城毕业分配大战 文文(18)

来自大红门的报告 李武魁(48)

北京人

杨沫帮我改文章 段燕勤(41)

翁立和他的“胡同三部曲” 魏革(35)

曲美,进弹美 杨清源(54)

京城“鸟”人和鸟市 天荣(60)

北京故事

京城民居里的外交故事 周家望(21)

动物文化沙龙 李向阳(42)

电脑故事 沈雁羽(63)

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· 作者请自留底稿,来稿一律不退,敬请见谅。

京城内参

“这几个老美都是中国通，讲起话来个个都像电视上那个大山似的。”

其中有些人多次遭到拒签，多次来排队，互相之间已经很熟悉了。他们互相交流经验，总结教训，对那几个美国外交官的性格摸得较透，都是精心准备而来应战的。

当天色太亮，人们又激动起来，坐马扎儿的人都已站起，后面的紧贴着前面的，丝毫不敢懈怠。

马路对面就是那个两层楼的美国使馆，楼上的星条旗有气无力地飘动着，好像没有睡醒一样。

人们就这样站立一两个钟头，经济踉蹌，样子就像争购新上市的股票似的。由于不知道什么时候开门，有些人不敢上厕所，其中就有一个老人不断地就靠，他被迫得直跺脚：

“现在上厕所还来得及吗？”

他也不知道是在问谁。

回答他的热心人却很多：

“坚持一下吧，老大哥，如果叫到您，您就上厕所啦，这几个仰头的队不是白排了？”

队伍中开始出现骂声：“这帮丫挺的，也不在外面修个厕所，这天一布，尿就特别多。”

有些人忍不住了，也就不管男女有别，跑到楼根处“游游”地撒开了。可多数人的自尊心却让他们憋受煎

熬。

在大家排到忍无可忍的时候，传达室传出金属的敲击声，敲几下，就是告诉你进几个人。

老头和老伴拿着早已登记好的名单开始叫人。队伍一点点地往前蠕动，有好奇地问那个被忍得直跺脚的老人：“怎么不踹踹呢？”

老头平静地说：“还那个屁，早都顺着裤管儿出来了。”

“没关系，里面窗口高，只能看到脸，看不到下边……”

不一会儿功夫就放进去几十个人。

人们进到使馆里面，排队交手续费，一交就起码是170多元。有些多次在签证费交上千把元，交完钱，再排队交费，然后又等待叫号。一开始，只有一位年轻的白人领事负责签证，进度很慢，当放入的队伍长了起来，又增加了两位工作人员。

签证的标准最重要的看来只有一条：“防止移民倾向”。因此提问，对话全围绕这个中心进行。

其中有一位老太太要去看她在美国的女儿，大鼻子，很精神的美国小伙子问她：“您去美国干什么？”

“去看女儿。她生小孩啦，是产！”

美国青年虽是中国通，但也不是精通各种事情，比如这个“产”，他就搞不明白。他认真地问：“什么叫产？”

老太太没好气地回答他：“产就是生孩子困难，屁股先出来。”

美国领事还是搞不明白，因为他还没有结婚，有些知识就是用美国话说，他也不一定能懂。他硬硬地问：“应该哪儿先出来？”

“头，脑瓜，脑袋儿先出来……明白了吗？”

“哦！明白，那太危险了。怎么就你一个人去看她，你的先生呢？”

“我老伴儿早就死了。”

“这么说你走了全家人就都到美国了。在中国你还有什么人？”

“我在中国还有儿子、孙子，怎么会移民呢？”

“什么叫做孙子？你是不是在骂人？北京人不高兴了就骂人孙子。”

老太太面对单纯的美国小伙子，也就耐下心来慢慢地解释：“我不是骂人。孙子就是儿子的儿子。我们管这个叫做孙子。”

美国领事学习到新的知识，很



☆☆☆☆☆



是高兴，他重复着说：“儿子的儿子叫孙子，OK，通过啦！”他给老太太签了证。

下一个是位年轻人，他是到美国学习的。因为多次被拒签，早已过了入学的时间，别人给他出了个馊主意，在百般无奈的情况下他只好一试。

他来到领事面前并不坐下，而是站得笔直，右手捂住胸口，用英文高声唱起了美国国歌。唱得几位美国领事一同起立，向他一同唱将起来。唱完以后，他才微笑着坐下，同领事交谈。

领事坐下以后仔细地看着他的眼神，见没有什么异常，愤愤地问：“你为什么唱起我们的国歌？”

年轻人说：“美国人民同中国人民是友好的，一个民族是不会排外的。我到美国是向美国人民学习先进的科学知识的，您一定会支持我的。”

领事听得高兴：“OK”一声终于给他签了。

当然，到美国使馆签证的人中也有条件不够，态度却蛮横的。其中有一位中年汉子，西服革履，手持大哥大，在使馆里高声大喊：“他妈的，我到你们美国去是搞科研的，没有我们项目就搞不了。”

领事们不吃他那一套，查阅完他的材料后给他来个“拒签”。他就破口大骂。领事们干脆通过大喇叭向他广播：“先生，你并没有正当的现在。您夫人在美国没有正常收入，不能担保您的生活，请您立即出去！否则我们就要派人将您请出去了。”

这时有几位身高马大的黑人士兵出现在他的旁边，他只好忍气吞声，悻悻然离去。

被拒签的人中，多数是被怀疑有移民倾向的，其中有许多人是被误杀的。

有一位孤寡老人多次申请去美国探望儿子，可排了几次队结果都是被拒签。出于无奈，只好心生一计。这天早晨，他坐着轮椅又一次进了大使馆。对领事说：“我到美国去看望，在中国怎么也看不好了。您说，这是美国三院的入院通知。我相信只有在美国才能治好我的病。你们美国医生说我这病越早治好越好，已经不能再耽误了。请您动作快一点！”

领事立即给他签了证。

他接过黄色签证条，马上就站了起来，感激地说：“我就是医生。我治好过许多外国人的病。美国医疗条件虽好，可技术比我们的差远了。”

京城肉参

说完，连轮椅也不要了，蹭蹭就走，而且走得飞快。

使馆外面仍然是人山人海。大家都在观察着每个从使馆里出来的人。

出来的人表情不一，有高兴的，有烦躁的。有的本来是两口子，却一个给签了，另一个没有签成。有个刚感情脆弱的竟然哭了起来。外边的好心人就围上来安慰他们：“瞧，下回再来吧。”

最高兴的当属风风光光的老爷们了。因为他们知道，他们肯定还要来，来了就肯定还会向他交钱。他的财源滚滚不断，当然，也包括大使馆的收费处。收费处的大牌子上赫然写着几行大字：“欢迎下次再来！”

他们的收入比起老爷们就是大巫见小巫了，他们一天就收入几万元人民币。一个月下来就是上百万。在美国国会两院之间因财政发生冲突的今天，这确是一个很好的生财之道。

但对广大的前往美国云的中国人来说，这实在是一笔不薄的费用，不用说在凛冽的寒风中站立的十数个小时，在长长的队伍中熬着心。还有许多从外地远道而来的，有的在往返多次，光火车票就多达几千元，甚至上万元。

其实还另有一笔看不见的账：到外国留学的留学生，都是中国的佼佼者，中国政府为他们花了大量的钱，他们不是中国的人才，学成之后却为美国政府上税去了。

瞧，这条长长的队伍，这来者不断的疲惫委屈的队伍，什么时候才能变得短一些呢？什么时候才能见到“龙回头”呢？

这到底是一条通往天堂的坦途，还是通向地狱之门的艰险之路呢？

责任编辑 傅伟

ATTACHMENT 14



Subject	Date
3 PRC's who were refused entry on 12/11/95	December 12, 1995
To	From
Fred Ho, SII	Marc Beeson, II <i>Marc Beeson, II</i>

On December 11, 1995 a group of Chinese were seeking to enter the United States for business. Two of the three were questioned by this writer, while roving, while the other was secondaried by II Blake.

In secondary, the three people claimed not to know one another, which was found out later to be false. They were all traveling together, though they went through separate lines, and were carrying invitation letters from LCP International. The faxed letters were sent one minute apart and the tickets that they were carrying were in sequential order.

The subjects all claimed to be coming to the U.S. for business. They claimed to be coming to learn about computers, which is what they said they did in China. Specific questions were asked to the subjects regarding computers, and the subjects were unable to answer them. They could not tell this writer what RAM (random access memory) was. They were unaware of the brand of computers that they sold in China and could not tell me any of the different components of a computer. The subjects did not want to give a written statement on an I-215B.

LCP Int'l was called and they said that the subjects were registered for courses in the U.S. but that they were not responsible for making sure the subjects left the U.S. once the courses were completed.

The subjects were in possession of passports, tickets, \$1,000, a business card and a small amount of clothing. They were carrying no documentation regarding the training that was about to take place, nor did anyone come to claim responsibility for the subjects.

U.S. Department of Justice
Immigration and Naturalization Service

NOTICE OF VISA C
BORDER CROSSING

TO: American Consul Beijing, China
(location)

FROM: USINS San Francisco Ca.
(location)

File No.:

Date:

12/11/95

Subject: Notice of Visa Cancellation/Border Crossing Card Voidance

Basis for Action

- ☐ Departure required (8 CFR 242.5) (Form I-213 attached)
- ☐ Deportation proceedings initiated (Forms I-213 and I-221 attached)
- ☐ NV Holder excluded (order attached)
- ☐ IV Holder excluded (order attached)
- ☐ Application for Admission withdrawn (NV Holder) (acknowledgment below)
- ☐ Application for Admission withdrawn (Holder of Form I-186 issued by Consul) (acknowledgment below)
- ☐ Waiver revoked (212(d)(3) (order attached)
- ☐ Inspector presented document (report below)

Name Wu, Ying Dian		Nationality China
Birthplace Beijing	Birthdate 6/23/59	Foreign Address (Number, Street, City, Province/State and Country of Permanent Residence)
Name of airline, vessel, or other means of arrival in U.S. CI 004	Port of Arrival SFO	Date of Arrival 12/11/95
Date, Place Passport Issued 12/03/92 Beijing	Passport No., Type XXXXXXXXXX	Date Passport Expires 12/ 2/ 97
Type and number of Visa XXXXXXXXXX	Date and place visa or I-186 issued 12/4/95 Beijing	
Name of visa or I-186 issuing official	Social Security Number of Applicant	
<p>REASONS: (Include all pertinent facts concerning use of altered, counterfeit, or fraudulent documents)</p> <p>Subject arrived this date via CI 004, from Taipei, seeking admission to the United States for business. The subject was in possession of a valid Chinese passport and a B-1, single entry, visa. A secondary search revealed that the subject was only in possession of \$1,000 U.S.. The subject claimed to be coming to learn about computers but knew nothing about computers, and the person in the invitation letter, who was supposed to be waiting outside, never came forward to</p>		
<p>This part to be completed when application for nonimmigrant admission withdrawn</p> <p>I understand that my admissibility is questioned for the above reasons, which I have read or which have been read to me in the _____ language. Although I understand I may choose to appear before an Immigration Judge for a hearing in exclusion proceedings, I request that I be permitted to withdraw my application for admission and to return abroad.</p>		
Date		Signature of Alien: [Signature]

- ☐ CC: File A _____ ()
- ☐ CC: Subj. File _____ ()
- ☐ CC: Regional Intelligence Officer _____ ()

If subject is IV holder, also show, in "REASONS" block, the class of IV presented, the foreign state or dependent area to which charged, and the IV number allocated.

Form I-275 (Rev. 8-1-84) Y

AMCUN

IMA. The subject chose to voluntarily return to China in lieu of seeing the Immigration Judge. The subject refused to make statement on an I-215.




Form 1-216B
(Rev. 9-1-72)YUNITED STATES DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
RECORD OF SWORN STATEMENT IN AFFIDAVIT FORM
AFFIDAVIT

IN RE: Wu, Ying Dian FILE NO. _____
 EXECUTED AT SFLA DATE 12/11/95
 Before the following officer of the U.S. Immigration and Naturalization Service:
 in the _____ language. Interpreter _____ used.

I, Wu, Ying Dian, acknowledge that the above-named officer has identified himself to me as an officer of the United States Immigration and Naturalization Service, authorized by law to administer oaths and take testimony in connection with the enforcement of the Immigration and Nationality laws of the United States. He has informed me that he desires to take my sworn statement regarding:

Subject refused to make statement.

ECONOMY CLASS BOARDING PASS/ 登機證			
航次 Flight	日期 Date	目的地 Dest.	艙位 Class
MDEC	TPE	Y	
ECONOMY CLASS BOARDING PASS/ 登機證			
航次 Flight	日期 Date	目的地 Dest.	艙位 Class
CI0004	11DEC	SFO	Y
登機門 Gate	登機時間 Boarding	座號 Seat	座號 Seat
003	15:50	43H	TPE
姓名 Name	編號 Seq. No.	Remarks	
WU YINGDIAN	051		
航空公司 CHINA AIRLINES	 中華航空公司 CHINA AIRLINES		

中华人民共和国外交部请各国军政机关对持照人予以通行的便利和必要的协助。

The Ministry of Foreign Affairs of the People's Republic of China requests all civil and military authorities of foreign countries to allow the bearer of this passport to pass freely and afford assistance in case of need.



签发日期
Date of issue

03 DEC 1990

签发地点
Place of issue

BEIJING

P CHN

姓名
Name in full

吴迎典
WU YINGDIAN

性别 Sex 职业 Profession

男

无业人员
UNEMPLOYED

婚姻状况 Marital status

已婚
MARRIED

出生日期
Date of birth

1950. 06. 23
23 JUN 1950

出生地点
Place of birth

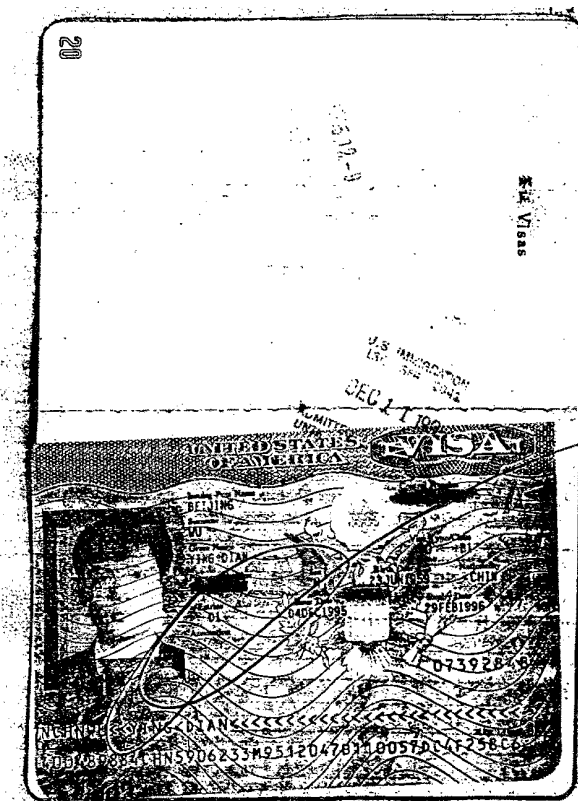
北京
BEIJING

有效期至
Date of expiry

1997. 12. 02

身份证号码
Identity card No.







LCP International Institute

English Language Training, University Preparation and Placement,
and Educational Administration Services

December 4, 1995

Beijing Sun Electronic Technology Engineering Company, Ltd.
Rm. 3203 Zhi Yu Hotel, No. 55 Zheng Kwong Road
Haidian District
ATTN: Mr. Wu Ying Dian, Manager

It is our sincere pleasure to formally invite the members of the short-term study-tour group from your esteemed company to attend the customized business and culture program developed and performed by LCP International Institute. The program will be held at our Center in Sacramento, California, U.S.A. from December 11 through 22, 1995. The program will include activities designed to provide the participants with a well-rounded exposure to U.S. business practices and American culture, as well as training in business English. In addition, the group will take part in a one-day industry visit to enhance their understanding of U.S. management and operations practice in the exporting business.

We very much look forward to the arrival in California of the three participants from your company:

<u>Name & Title</u>	<u>Date of Birth</u>	<u>Passport Number</u>
Mr. Wu Ying Dian, Manager	06/23/59	XXXXXXXXXX
Mr. Yin Wei Dong, Sales Engineer	10/27/63	XXXXXXXXXX
Mr. Wang Jing Ming, Sales Engineer	11/06/63	XXXXXXXXXX

If we may be of any further assistance, please do not hesitate to contact us.

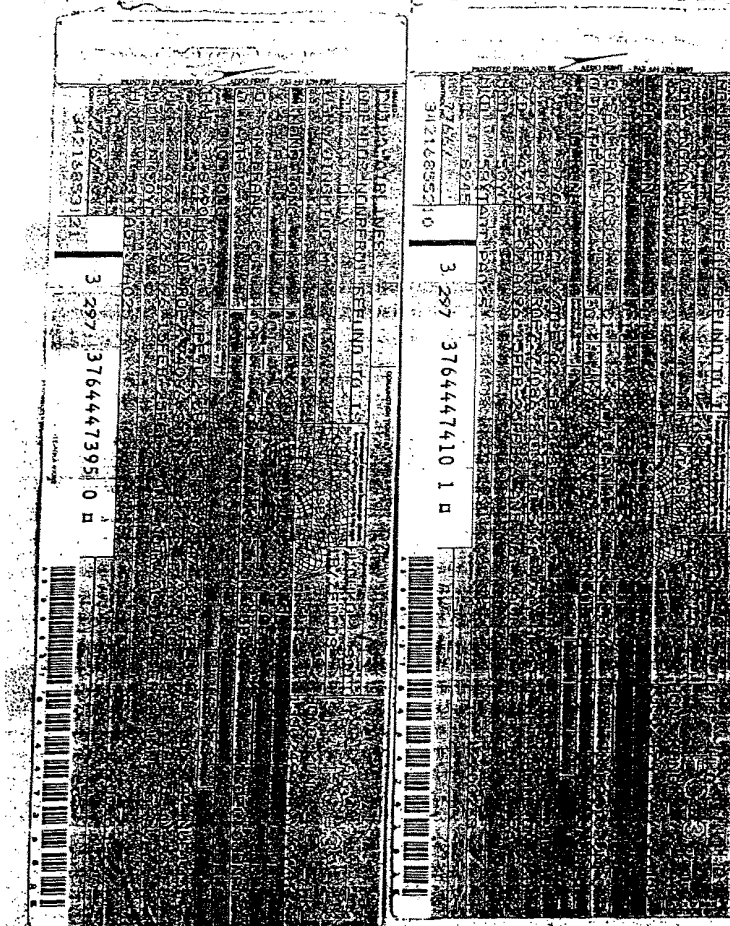
Sincerely,

Manijeh Brueggeman
Vice President

MB:bb

Executive Office: 930 AT&T Tower, 8001 Irvine Center Drive, Irvine, CA 92718
Tel: (714) 763-0660 Fax: (714) 763-0880
Fellowship Management Division: 405 University District Building, 1107 N.E. 45th Street, Seattle, WA 98106
Tel: (206) 547-6106 Fax: (206) 547-6106

• California State University • University of Redlands Center • Irvine Valley College Center



Visa Number

Immigration and
Naturalization ServiceI-94
Arrival Record

1. Family Name

2. First (Given) Name Wu 3. Birth Date (Day/Mo/Yr) 23 06 59
 4. Country of Citizenship China 5. Sex (Male or Female) Male
 6. Passport Number CI 004 7. Airline and Flight Number
 8. Country Where You Live China 9. City Where You Boarded Hong Kong
 10. City Where Visa Was Issued Beijing 11. Date Issued (Day/Mo/Yr) 04 12 95
 12. Address While in the United States (Number and Street) Hotel
 13. City and State Sacramento Ca.

Passport Number

34497738 04

Immigration and
Naturalization ServiceI-94
Departure Record

4. Family Name

5. First (Given) Name Ying Dian 16. Birth Date (Day/Mo/Yr) 23 04 59
 17. Country of Citizenship China

See Other Side

STAPLE HERE

Visa Number

Immigration and
Naturalization ServiceI-94
Arrival Record

1. Family Name

2. First (Given) Name WANG 3. Birth Date (Day/Mo/Yr) 06 11 63
 4. Country of Citizenship CHINA 5. Sex (Male or Female) Male
 6. Passport Number CI 004 7. Airline and Flight Number
 8. Country Where You Live China 9. City Where You Boarded Taipei
 10. City Where Visa Was Issued Beijing 11. Date Issued (Day/Mo/Yr)
 12. Address While in the United States (Number and Street) Hotel
 13. City and State Sacramento Ca.

Passport Number

194144574 05

Immigration and
Naturalization ServiceI-94
Departure Record

4. Family Name

5. First (Given) Name Ying Dian 16. Birth Date (Day/Mo/Yr) 23 04 59
 17. Country of Citizenship China

See Other Side

ENGLISH

STAPLE HERE

WELCOME TO THE UNITED STATES

DEPARTMENT OF THE TREASURY
UNITED STATES CUSTOMS SERVICE

FORM APPROVED
NO. 750-001

CUSTOMS DECLARATION

18 CFR 122.21, 146.12, 148.10, 148.18, 148.11

Each arriving traveler or head of family must provide the following information (only ONE written declaration per family is required).

1. Name: YING DIAN OK

2. Date of Birth: 11-12-89 3. Airline/Flight: C1084

4. Number of family members traveling with you: 0

5. U.S. Address: HOTEL
City: SACRAMENTO State: CA

6. I am a U.S. Citizen ☐ YES ☒ NO
If No, Country: _____

7. I reside permanently in the U.S. ☐ YES ☒ NO
If No, Expected Length of Stay: _____

8. The purpose of my trip is or was ☒ BUSINESS ☐ PLEASURE

9. I am/we are bringing fruits, plants, meats, food, soil, birds, ~~snails~~, other live animals, farm products, or I/we have ~~been on a~~ farm ranch outside the U.S. ☐ YES ☒ NO

10. I am/we are carrying currency or monetary instruments over \$10,000 U.S. or foreign equivalent ☐ YES ☒ NO

11. The total value of all goods I/we purchased or acquired abroad and am/are bringing to the U.S. is (see instructions under Merchandise on reverse side): 0.00

► MOST MAJOR CREDIT CARDS ACCEPTED.
SIGN ON REVERSE SIDE AFTER YOU READ WARNING.
(Do not write below this line.)

INSPECTOR'S NAME _____

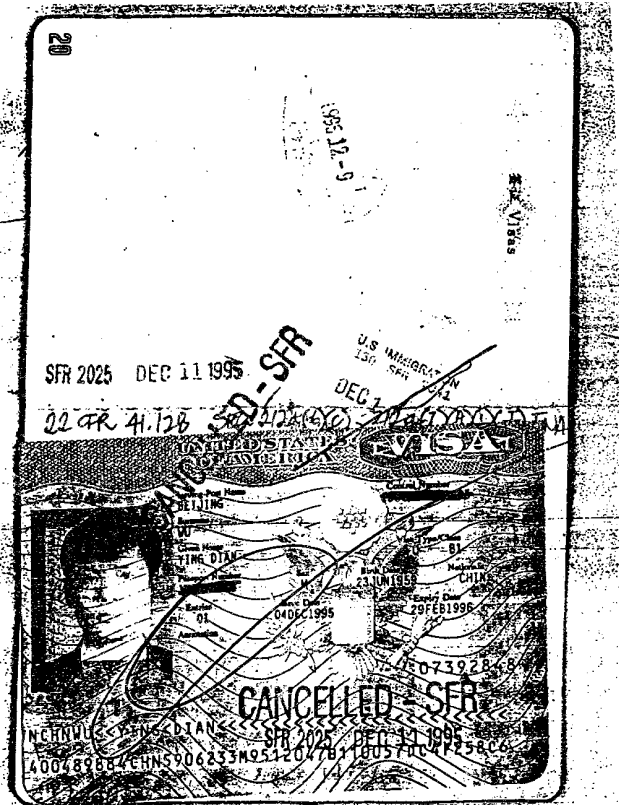
BADGE NO. _____

STAMP AREA

For Importation: Penalties for False Statements: The penalty for making a false statement or for making a statement which is false in any material particular, or for making a statement which is false in any material particular, or for making a statement which is false in any material particular, is a fine of not more than \$10,000, or imprisonment for not more than 5 years, or both, at the discretion of the court. For Exportation: The penalty for making a false statement or for making a statement which is false in any material particular, or for making a statement which is false in any material particular, is a fine of not more than \$10,000, or imprisonment for not more than 5 years, or both, at the discretion of the court. For Transportation: The penalty for making a false statement or for making a statement which is false in any material particular, or for making a statement which is false in any material particular, is a fine of not more than \$10,000, or imprisonment for not more than 5 years, or both, at the discretion of the court. For Other: The penalty for making a false statement or for making a statement which is false in any material particular, or for making a statement which is false in any material particular, is a fine of not more than \$10,000, or imprisonment for not more than 5 years, or both, at the discretion of the court.

U.S. GPO: 1992-0-645-148 Customs Form 8059E 10/2000

CAL T2-202A PRINTED IN TAIWAN, REPUBLIC OF CHINA



传染病监测证明

Nº 0012180

旅客姓名 吴迎典 年龄 95 年 性 别 男/女
护照号码 140048988 发护照机关 公安部

该旅客已依照《中华人民共和国国境卫生检疫法》及其实施细则和我国

有关卫生法规的规定，于 1/ 出境时在口岸接受艾滋病、梅毒血清等检查。
特此证明。

附检验结果：

快速全血HIV抗体聚集法：阴性 Negative

检疫医师签名：

日期： 95. 12. 09.



PORT OF SAN FRANCISCO, CALIFORNIA DATE 12/11/95

To the Owner, Agent, Consignee, Charterer, Master, Commanding Officer, or Officer in Charge of the
CHINA AIRLINES, FLIGHT C1004
(Name of vessel or aircraft identification)

Pursuant to the provisions of the Immigration and Nationality Act, and the Regulations issued by the Attorney General thereunder, you are directed to—

☐ Detain on board.

☐ Depart from the United States. MONDAY, DECEMBER 11, 1995 @ 1400 HOURS

☒ Remove to FOREIGN on 12/11/95, 19__ at __ M.

☐ Present to _____ on _____

for the following reason (s) ALIEN(S) NOT ADMISSIBLE TO THE UNITED STATES

The alien(s) named below:

NAME	DATE OF BIRTH	STATUS ON VESSEL OR AIRCRAFT (i.e. 2d, 3d, or tourist class passenger; member of the crew; stevedore etc.)
WU YING DIAN	06/23/59	PASSENGER
CHEN BAOQUAN	01/07/61	PASSENGER
WANG JING MING	11/06/63	PASSENGER

NOTE TO AIRLINE REPRESENTATIVE:

The above named passenger which arrived on your flight as indicated above, is held in Service Custody to complete inspection at a later date and place. Should he/she be found excludable and so ordered by an Immigration Judge, your airline will be held responsible for cost of his/her removal from the United States.

Mark Beeson
(Immigration Officer)
 MARK BEESON, IMMIGRATION INSPECTOR

Receipt of the above notice is hereby acknowledged:

Dong Wang (China Airlines) DEC 11 1995 at 3:00 PM
(Signature & Title of person receiving notice) (Date) (Time)

_____, 19__ at __ M.
(Signature & Title of person receiving notice) (Date) (Time)

_____, 19__ at __ M.
(Signature & Title of person receiving notice) (Date) (Time)

*When removed to the foreign jurisdiction, the alien must be detained on board the ship on which they arrived pending for 11 days in the foreign jurisdiction, such detention shall be made by the most direct and expeditious route with the least possible contact with the public, and at the expense and responsibility of the steamship company. All persons have been held for further medical examination in the belief that they are suffering from communicable diseases and are completely isolated from other passengers and from the public.

ATTACHMENT 15

MAY-06-96 MON 06:02 PM US EMBASSY BEIJING

FAX NO. 86 10 5320423

D117A

H
C3
C6

Activities Giving Rise to Appearance of Impropriety

- Visa(s) issued to person(s) with whom CMP had sexual relations.
- China Swan Travel Agency official told Conoff he was "not receiving proper cooperation." Chinese NIV staff member alleges China Swan, after entertaining CMP and other staff members, routinely requested staff members place visa applications "on CMP's desk and nowhere else" apparently to ensure issuance.
- Joint "birthday party" hosted by Real Estate Sales firm at whose request visas issued.
- Expensive pens, watches, tie(s), clock(s) and other gifts. Opinion of all conoffs, numerous officers of other embassy sections, and (it seems) many Chinese staff that attractive female applicants are given preference and cases favorably considered by CMP including issuance over prior refusal.
- Applications accepted by CMP and/or Ms. Yang and numerous applicants interviewed in Er Ban office despite CO ban on such activities.
- Interviewing officers told: "I'll get my visa from Charles Parish" by several applicants.
- Report of dinner with Chinese Consular officer in Los Angeles seeking F-1 visa for daughter in violation of visa law and regulations. Appearance to PRC officials that visa that cannot be issued can be obtained through CMP.
- Visa issued to staff member (Ms. Yang) with no advance notice to CG. Chinese staff believe ticket may have been issued at discount not available to general public, by China Express Int'l Travel Agency. Another Chinese woman included in this group of 3.
- April 1996 issue of Beijing Jishi Magazine includes an article on visa application at US Embassy with interviews of applicants from NIV queue. Report concludes "if you get (CMP), the visa is easy to obtain."
- Many dozen OF-156 forms for issued visas kept in CMP office, in private file cabinet or on Yang's desktop. Apparently some kind of "tracking" of persons issued by CMP but outside of mandated filing of OF-156s issued each day. OF-156 forms for issued visas in cases on which INS has requested additional information cannot be located in Consular Section's files on a weekly, if not more often, basis.
- Issued B-1 to an actress after junior conoff had researched FAM, informed by CMP and interested USIS officer, that a P-1 was appropriate and could not be issued without an approved petition. CMP stated reason for issuing in clear violation of FAM: "The system is broken, sometimes we have to take things into our own hands."
- Dancing lessons for Chinese staff provided by FESCO to visa staff. Computer training for Chinese staff arranged without proper, prior obligation of USG funds.
- Issued 3 B-2 tourist visas to PAP officials who, according to US DAO sources, "arrived in US with suitcases full of cash." OF-156 had no indication of reason issued. Case brought to Consular attention by DAO Brad Gervais noting that USG Military Intel had questioned issuance of those visas.

Waiban (FAO) and Travel Agency cases issued under questionable circumstances.

- Batches 828/335; 829/335; 831/335 total of approximately 26 applicants from various provinces including a large number of Fujianese, issued 4 Dec 95, electronically adjudicated by CMP. Issuance occurred after a Conoff noted that several passports appeared to be photostubbed or altered. Passports did not have proper exit cards as well. Group was requested but failed to provide Chinese ID cards verifying identities. Cases submitted by to CMP directly by a Taiwan national who claimed to be affiliated with CP&TITS Travel Agency; groups were "turned around" (denied entry) by INS on arrival due to clear intent to work. Subsequent telephone investigation revealed that the person who delivered the cases to the Consular Section was not employed by CP&TITS travel agency. Case involved alleged short term English language course at LCP Int'l in Irvine, CA. The group appears to have been broken into several small groups sent on different airlines.
- Batch 843/011 total of Fujianese traveling to WashDC for training. OF-156 Visa Applications show no indication of officer action. Electronically adjudicated 11 Jan 96 by CMP. OF-156. Group delivered to Consular Section by *China Swan Travel Agency* (further discussed below).
- Batch 594/026. Group turned around by INS for clear work intent. INS reports this group of Fujianese, and another 10-20 such groups, arriving New York to an address opposite the Fukien American Association. Batch electronically adjudicated by CMP.
- *No indication of namecheck* on this group (visas were issued over deferred namecheck), which would be a violation of law.
- JIANG Liuping. Issued Dec 95 for LCP (see above) English course and "visit trade center." Dates for "trade activities" in USA - Christmas eve and Christmas day.
- Li Xiaohu. Application submitted for B-1 visa via Waiban channel and refused 214b. Application re-submitted as F-1 (dates unclear); issued by CMP.
- Batch 686/008 Zhu Xiaohua and Liu Qing. Refused as 214b Dec 12, 1995. Husband and wife reapplied and issued by CMP. Date of application not shown on OF-156 indicates application probably NOT received at front window where date is stamped on receipt.
- Batch 658/345 issued Dec 11, 1995. Yu hong and 15-year old son Wang Fenju issued B-1 to purchase \$32,000 single family home ("a few blocks from Shu Duan Restaurant") in Niagara Falls, NY.

Issuance of Previously Refused Cases

- LI Hui. Refused twice in Beijing on 1/23 and 2/13/96 for clear work intent based upon correspondence and reputation of Chinese singer Wei Wei (and AmCit husband, who have themselves previously obtained NIV visa for Wei Wei in order for Wei Wei to now adjust in the US). Visa issued 2/23 by CMP. Applicant was turned around by INS for clear work intent.
- XU Wuping. Jiangsu applicant issued 12/15/95 despite 12/4/95 Shanghai refusal; no check with Shanghai. Numerous other similar cases of issuance over prior refusal with no Visas Alpha inquiry made.
- YANG Yuelin. Seven years old. Refused twice, 7/18/95 and 7/6/95. Issued F-1 (batch 700/208) by CMP on 7/27/95.

ATTACHMENT 16

INTERVIEW OF DONALD SCHURMAN**July 9, 1999**

On July 9, 1999, at the State Department, David Kass, Kevin Davis, and Kristen Amerling interviewed Don Schurman. Dean Pittman and Mary Comfort were present from the State Department.

Background

From February 1995 until October 1997, Schurman was the Regional Security Officer at the Beijing Embassy. He currently is the Division Chief for the Overseas Operation Group for Technical Security.

As Regional Security Officer, Schurman's primary responsibility was protection of embassy personnel, and protection of classified information. Schurman was responsible for all of China and Mongolia, which included four consulates and two embassies. Schurman had under his supervision one assistant, two engineers, two seabees, and 13 Marines. Schurman's responsibilities included dealing with the security concerns of local Americans as well, such as visiting businessmen, tourists, and Americans living in Beijing.

Complaints About Parish

When asked when he first heard complaints about Parish, Schurman stated that had heard early in his tenure that Parish was easy to get visas from, especially if you were a young, attractive woman. Part of Schurman's job was interviewing all embassy personnel who were leaving the embassy. In Schurman's first six months, a departing visa officer complained that Parish was giving out visas to attractive young women. Schurman looked into this issue, and learned about the visa issuance process. He found that it was highly discretionary, and difficult to make decisions in a very short time period. He also stated that the INS still had the authority to turn away individuals with a visa. After conducting this review, Schurman decided that there was no allegation of any illegal action against Parish, and did not look into the matter any further. He did not interview Parish regarding these allegations. Schurman states that he did not find these allegations illegal or even troubling.

Schurman continued to hear that Parish was lenient in granting visas, especially to certain groups of people. Schurman was also aware of the Chinese magazine article stating that Parish was a good person to see if you wanted a visa. However, Schurman states that he did not find these matters troubling, and he did not look into them. Schurman states that during this period of time, he never heard any allegations that Parish was issuing visas for money or sex.

Non-Fraternization Policy

When Schurman started as RSO in Beijing, there was a strict non-fraternization policy. However, during the time he was in Beijing, the policy was changed so that staff were required to report the fact if they entered into a sexual relationship with a Chinese citizen. The purpose of the change was to allow the Embassy to keep track of who was in contact with the Chinese, and to warn them about the perils of such relationships. It was a personnel violation if an Embassy employee entered into a sexual relationship with a Chinese citizen without reporting it to the Embassy.

Schurman states that he never heard that Parish was involved in sexual relationships with Chinese. He also states that he was never told anything about Parish being in sexual relationships with Chinese by either Scott Hallford or Arturo Macias. Schurman confirmed that either Hallford or Macias should have told him if they were aware of any problems relating to Parish's issuance of visas (that went beyond mere leniency) or any problems relating to Parish having sexual relationships with Chinese.

Investigation of Parish Begins

In April 1996, Hallford held a dinner for the junior officers in the visa section. The officers told Hallford that there were numerous problems in the visa section. The next morning, Hallford told Dan Piccuta and Schurman that there were allegations against Parish. These allegations went beyond leniency. Schurman recalls that the allegations included Parish processing visa applications from outside the district covered by the Beijing embassy. The embassy had started this policy to prevent individuals rejected in one district from coming to another consulate to get a visa. The other allegations that Schurman recalled were that Parish received a lavish birthday party from a travel agency that sponsored many visa applications. There was also some concern with Parish's travel to the U.S. with Chinese citizens.

Hallford asked Schurman and Piccuta to pursue this matter. Piccuta had a list of problems relating to Parish that he had previously. Schurman believes that Piccuta had given this list to Macias. Schurman recalls that the list included out of district visa issuances, the birthday party, granting visas to individuals sponsored by the travel agency, and receipt of gifts from visa applicants.

Review of Parish's Office

The first thing that Schurman did when starting this investigation was to seal Parish's office, and change the locks. At the time, Parish was away on a vacation.

Schurman looked through Parish's office. Most of the gifts were described by Schurman as "knickknacks" or "junk." He did see some cufflinks which he estimated were in the \$200-300 price range. The office was packed with files and other materials. Parish had many documents, including original visa applications, in his office. Parish's explanation of these files was that he was tracking individuals he has issued visas to. In his files, Parish had letters from travel agencies and individuals explaining that they had returned to China from the U.S. Parish also had many duplicates of visa applications in

his office. Parish also had a large credenza that was full of files on various Chinese companies, and backup information on various students. Schurman never conducted an inventory on what was in the office, and he never photographed the office.

In searching the office, Schurman also found a large stack of e-mails between Parish and Chinese students for whom Parish had issued visas. Schurman also found a statement from a Hong Kong bank account in Parish's name. Schurman did not take much interest in the account, since it only had \$100 in it.

After seeing the volume of material in the office, he did cable Diplomatic Security to ask them to send a person to Beijing to help him with the investigation. DS never sent anyone to assist Schurman. Schurman believes that DS didn't send anyone because Parish wasn't a major problem.

Schurman spent a few weekends and evenings review the material in Parish's office. Schurman never finished reviewing the material in Parish's office. The consulate wanted Parish's space very badly, so Schurman took what he believed to be the most relevant documents, and boxed them in a closet in his office. Everything else in Parish's office was destroyed. The materials that were not destroyed were as follows: one box of documents relating to the travel agency, one stack of e-mails between Parish and visa recipients (4-5 inches thick), and one stack of original visa applications (1 or 2 inches thick), and one box of gifts and personal correspondence. All of Parish's files on Chinese companies, and most of his duplicate visa applications were destroyed. In addition, the original visa applications that Schurman took from Parish's office were destroyed, since they were over a year old. Schurman also took no steps to keep old visa applications from being destroyed, and there was no effort to discover which visa applications Parish had granted.

Schurman states that he allowed these records to be destroyed because the investigation appeared to be going nowhere.

Schurman states that he never heard anything about a Marine catching Parish trying to smuggle materials out of his office after it was sealed. He also never heard that Parish had been in his office shortly before the investigation began, shredding materials.

Schurman was asked if he ever searched Parish's apartment, and he responded that this would be a "touchy matter," and he did not.

Interview of Parish

After conducting their investigation, Schurman and Piccuta interviewed Parish. Parish defended his practices, and denied that he ever accepted money or sex in exchange for visas. Parish denied any relationship with his Chinese secretary, Mrs. Yang. Parish admitted that he went to a party held for him by the travel agency, but told Schurman that many other junior visa officers went with him, and accepted gratuities there as well.

Parish admitted that he had accepted various gifts, and violated ethical rules, but said that he had to accept them. Parish tried to defend himself.

Meeting with Sasser

After the Parish interview, Schurman and Hallford met with Ambassador Sasser. Sasser wanted to proceed cautiously. Hallford assured Sasser that they should ask Parish to curtail from the Embassy. Sasser was concerned that Parish might file an EEO complaint if they asked him to curtail. However, Sasser was convinced to go along.

Parish's Curtailment

After checking with Sasser, Hallford and Schurman met with Parish, and asked him to curtail, or Sasser would "withdraw his confidence" from Parish. Parish seemed to be surprised, and seemed to think that the Embassy would not take any action against him. Schurman states that the only thing that the Embassy could do to Parish is ask him to curtail or withdraw its confidence. As for personnel action against Parish, or firing him, the State Department would have to do that. Schurman believes that Piccuta had discussions with the main State Department about these issues.

Complaints About Schurman's Investigation

Schurman was asked if there were any complaints about the way he conducted the investigation of Parish at post. Schurman stated that many of the junior officers wanted Parish to be found guilty of something. Schurman would tell them to give him evidence, but no one ever gave him evidence of illegal acts by Parish. Schurman remembers Kai Ryssdal as one of the major agitators against Parish.

Schurman stated that there were never any other individuals at the visa section under suspicion in the visa section as part of the Parish investigation. Schurman is unaware of allegations made regarding "Mrs. Zhao," or a U.S. employee at the embassy "Paul" regarding the sale of visas. Schurman did state that Parish was the only African-American at the visa section.

Schurman did not interview all of the junior officers at the embassy as part of his Parish investigation. It was Schurman's understanding that Piccuta was supposed to compile all of the allegations against Parish. Schurman does believe that either he or Piccuta conducted formal interviews of the junior officers. Rather, they spoke with them socially, and compiled the facts they needed.

Review of Parish Materials by DS and OIG

When Schurman left Beijing in October 1997, he left the material he had taken from the Parish office in his office. At that time, no one from DS or the OIG had looked at it. In October 1997, personnel from the OIG were at the embassy on a regular visit, and when they asked about the status of the Parish matter, Schurman offered them a look

at the materials he had boxed up. Schurman states that they recoiled when he showed them a box of documents.

Schurman does not recall faxing any of the Parish documents to DS during their investigation, although he did send cables with information relating to Parish. After he left Beijing, Schurman does believe that the Parish materials were requested by DS.

Miscellaneous

Schurman was interviewed by Natalie Murphy of the State IG's office.

Schurman also saw the recent L.A. Times article regarding Parish.

DS never informed Schurman of any other allegations against Parish.

Schurman never thought of sending all of the Parish documents to D.C. instead of destroying them.

Schurman does not recall checking with anyone before having the Parish documents destroyed, although, he "would like to think that he did."

ATTACHMENT 17

DEPARTMENT OF STATE
DIPLOMATIC SECURITY

TELEGRAM

D105

PAGE 01 BEIJIN 16995 231052Z 8994 017361 051992

ACTION DS-00

INFO D55-01 VF-01 CR-01 /003 A2 EB

INFO LOG-00 OAS-00 TEDE-00 ADS-00 ASDS-01 DSCC-00 /001W
-----3C4F54 231052Z /38

R 231050Z MAY 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 9944

UNCLAS E F T O BEIJING 016965

DS CHANNEL

SENSITIVE

FOR DS-CR VF

E.O. 12958: N/A

TAGS: ASEC

SUBJECT: V-96-00066

1. POST HAS MET WITH SUBJECT TO DISCUSS CONCERNS. AND HE HAS DECIDED TO REQUEST IMMEDIATE CURTAILMENT. POST HAS CONCURRED AND SUBJECT WILL BE PACKING OUT ON 27 MAY 96.

2. AFTER THE SUBJECT'S DECISION TO CURTAIL, THE LOCK COMBINATIONS ON HIS OFFICE WERE CHANGED AND HE WAS INFORMED THAT ONLY ITEMS WHICH WERE CLEARLY PERSONAL COULD BE REMOVED. WITH HIS IMMINENT DEPARTURE AND THE NEED FOR SUBJECT TO TAKE PERSONAL ITEMS TO HIS APARTMENT FOR PACK OUT, RSO WOULD LIKE GUIDANCE ON HOW RESTRICTIVE HE

CAN SHOULD BE ON LIMITING REMOVAL OF ITEMS FROM THE OFFICE. ALLOWING REMOVAL OF ANYTHING FROM THE OFFICE CAUSES SOME CONCERN. TODAY, FOR EXAMPLE, SUBJECT PILED UP WHAT WAS JUDGED TO BE PERSONAL BOOKS, PICKED UP A BAG, AND STARTED TO LOAD IN THE BOOK. ON INSPECTION OF THE BAG, RSO FOUND A BOX CONTAINING A PAIR OF WHAT APPEARED TO BE EXPENSIVE CUFF LINKS AND A TIE TACK. SUBJECT STATED THAT THEY WERE JUST HIS CUFF LINKS. ON INSPECTION, THE BOX WAS FOUND TO CONTAIN THE CARD OF THE SAME INDIVIDUAL WHO GAVE THE SUBJECT THE JANUARY 96 BIRTHDAY PARTY. THE OFFICE ALSO CONTAINS ITEMS OF MAIL FROM WHAT APPEARS TO BE INDIVIDUALS WHO RECEIVED VISAS FROM HIM.

3. THE PRIMARY QUESTION AT THIS POINT IS WHETHER OR NOT THERE WILL BE AN INVESTIGATION INVOLVING THE SUBJECT'S OFFICE AND, IF SO, TO WHAT DEGREE DOES THE OFFICE AND ITS CONTENTS NEED TO BE SEALED. CONSULAR PERSONNEL NEED ACCESS TO SOME OF THE MATERIALS IN THE OFFICE AND WOULD VERY MUCH LIKE TO USE THE SPACE DUE TO THEIR CROWDED CONDITIONS.

4. ACTION: REQUEST GUIDANCE REGARDING SUBJECT'S OFFICE AND ITS CONTENTS.

SASSER

UNCLASSIFIED

EXHIBITS

AISI**AUTOMATED INTELLIGENT SYSTEMS, INC.**

2771 Plaza Del Amo • Suite #809 • Torrance, CA 90503 • Tel: (310) 328-8585 • Fax: (310) 328-8881

Sept. 19, 1995
(Via Fax)Karen Sternfeld
Clinton/Gore 96
11500 W. Olympic Blvd. #370
Los Angeles, CA 90064

Dear Karen,

Enclosed is the name list of my guest who will be attending the Southern California Presidential Gala on Sept. 21, 1995.

Table 1:

1. Mr. Johnny Chung ()
2. Mr. Shizeng Chen ()
3. Mr. Yeyun He ()
4. Ms. Li Huang ()
5. Mr. Yuanlin Lang ()
6. Mr. Bin Liu ()
7. Mr. Shijin Yu ()
8. Ms. Hui Jie Li ()
9. Mr. Bao Jian Cui ()
10. Mr. Yan Bin Yao ()

Table 2:

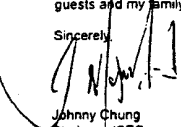
1. Ms. Kathy Chung ()
2. Ms. Janet Chung ()
3. Mr. Chi Fan Jong ()
4. Ms. Keico Jong ()
5. Mr. Michael Lin ()
6. Mr. Xin Wu ()
7. Ms. Jian Qiao Wei ()
8. Mr. Charles Parish ()
9. Ms. Fan Zhang ()
10. Ms. Diana Douglas ()

Table 3:

1. Mr. Art Liang ()
2. Mr. Luke Yu ()
3. Mr. Candy Jeng ()
4. Ms. Irene Wu ()

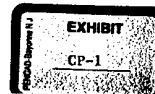
Sorry for the delay. I hope you have arranged a few good tables for me. These are all very important guests and my family. Thank you very much for your patience and your help.

Sincerely,


 Johnny Chung
 Chairman/CEO

BUILDING THE U.S. FAX HIGHWAY TODAY

JCH15023



VS OFFICE Electronic Mail Friday 07/14/95 08:25 am

To: Charles Parish BEIJING
 From: cofco@PRIMENET.COM
 Subject: Mr. Lin, Full Date: 05/25/95
 Forwarded By: cofco@PRIMENET.COM

Distribution:

Not Requested

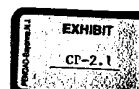
RETURN-PATH: <cofco@primenet.com>
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 Received: by pubhost.us-state.gov; id AA08763; Wed, 24 May 95 23:59:29 GMT
 Received: by castle.us-state.gov; id AA26589; Thu, 25 May 95 00:00:27 GMT
 Received: from mailhost.primenet.com(198.68.32.50) by castle.us-state.gov via smap (V1.3mjr)
 id sma026582; Thu May 25 00:00:12 1995
 Received: from ip220.phx.primenet.com (ip220.phx.primenet.com [198.68.46.220]) by mailhost.primenet.com (8.6.11/wjp-h2.0) with SMTP id RAA01617 for <Charles.Parish@DOS.US-STATE.GOV>; Wed, 24 May 1995 17:01:09 -0700
 Date: Wed, 24 May 1995 17:01:09 -0700
 Message-Id: <199505250001.RAA01617@mailhost.primenet.com>
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 X-Mailer: Windows Eudora Version 1.4.4
 Mime-Version: 1.0
 Content-Type: text/plain; charset="us-ascii"
 To: Charles.Parish@DOS.US-STATE.GOV
 From: cofco@PrimeNet.Com
 Subject: Mr. Lin, Full

Mr. Lin, Full is having difficulties in Beijing obtaining his L-1 visa to come to the United States for himself and his wife. The embassy has informed him that it usually takes 30 days for them to receive notice from the U.S. Mr. Lin received his approval on May 3, 1995, which would mean that he will not be able to return for another two weeks. Regarding his wife's L-2 visa, the embassy requires his tax return. As you know, Mr. Lin was only recently assigned to work in the United States and has not filed a tax return and will not until year end.

Mr. Lin is needed at BNU very badly as we cannot proceed on our business projects without him. We would very much appreciate anything that you can do to help him return as soon as possible. We will provide you with any documents that you believe are necessary to expedite the L-1 issuance. Please let us know how we can help. Thank you very much for your assistance.

Sincerely,

Elizabeth Mann



VS OFFICE Electronic Mail Thursday 08/03/95 04:52 pm

To: Charles Parish BEIJING
From: cofco@PRIMENET.COM
Subject: Mr. Lin, Mrs.Wang Date: 06/13/95
Forwarded By: cofco@PRIMENET.COM

Distribution:

Not Requested

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RETURN-PATH: <cofco@primenet.com>
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Received: by castle.us-state.gov; id AA23241; Tue, 13 Jun 95 16:19:51 GMT
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y mailhost.primenet.com (8.6.11/vjwp-h2.0) with SMTP id JAA21225 for <charles.P
arish@DOS.US-STATE.GOV>; Tue, 13 Jun 1995 09:20:30 -0700
Date: Tue, 13 Jun 1995 09:20:30 -0700
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X-Mailer: Windows Eudora Version 1.4.4
Mime-Version: 1.0
Content-Type: text/plain; charset="us-ascii"
To: Charles.Parish@DOS.US-STATE.GOV
From: cofco@PrimeNet.Com
Subject: Mr. Lin, Mrs.Wang

```

Dear Charles:

Thank you very much for helping Mr. Lin and Mrs. Wang. Mr. Lin is now back in the U.S. and both of them are grateful that you have helped them.

Please send me a message through internet E-mail when you receive this message. I would like to know if our mail box works.
Our mail box address: (in all small letters) cofco@primenet.com

Thanks again!

Elizabeth N. Mann



VS OFFICE Electronic Mail Thursday 06/01/95 03:41 pm

To: Charles Parish BEIJING
From: cofco@PRIMENET.COM
Subject: My Wife and Son's Visa to Date: 05/28/95
Forwarded By: cofco@PRIMENET.COM

Distribution: .

Not Requested

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RETURN-PATH: <cofco@primenet.com>
RECEIVED: FROM PUBHOST.US-STATE.GOV BY DOS.US-STATE.GOV ; 28 May 95 14:58:46 -0400
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Date: Fri, 26 May 1995 10:49:36 -0700
Message-Id: <199505261749.KAA27474@mailhost.primenet.com>
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X-Mailer: Windows Eudora Version 1.4.4
Mime-Version: 1.0
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To: charles.parish@dos.us-state.gov
From: cofco@PrimeNet.Com
Subject: My Wife and Son's Visa to US

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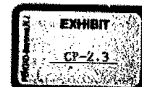
Mr. Parish:

It's a pleasure for us to show you our operations in the States. COFCO is very committed to the US markets. While COFCO (New York) is leading the trading business, we (BNU) are doing the investments section. We thank you again for you help to promote the business in the States.

I will be back to Beijing on July 6, 1995 to see my family and bring my wife and son back to States. If you have time I would like to invite you to dinner on July 8 or 9, up to you.

Sincerely

Jay Ding
Senior VP of BNU
President of COFCO Management Company





中國石化國際事業公司
SINOPEC INTERNATIONAL

Charles M. Parish Jr.
First Secretary and Consul
Embassy of the United States of America

August 24th, 1995

Dear Mr. Parish,

It was my great pleasure to meet and talk to you during the dinner we had in Beihai Park. Our conversation was very pleasant, and I was extremely impressed by your expedition to the Northwest Desert.

Actually, I knew you long ago, and was especially grateful to you for the convenience you had created prior to our last trip to your esteemed country.

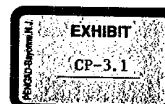
As remarked by Mr. Yao Sanzhong, Vice President of SINOPEC, we appreciate the great support you've provided our company over the years, and we would be very pleased if we are given a chance to reciprocate it.

Good understanding breeds sound friendship. As I proposed, if you want to gain a vivid insight into China's petrochemical industry, our production facilities will be kept open to you and your colleagues at the US Embassy at any time. Therefore, we'd be even more happy to host you a boat trip to the Three Gorges. I can assure you that it would be a rather comfortable and exciting experience on the nation's largest hydroelectric dam. If you can take several days out of your busy schedule next month, I'll be happy to accompany you and show you around our people at Chongqing and Wuhan.

Thank you very much for your kind and friendly suggestions. I will be glad to be talking to

Yours sincerely,

Tang Jie
Manager, American Affairs
Liaison Office
SINOPEC INTERNATIONAL



[PREPARED BY COMMITTEE STAFF]

SINOPEC INTERNATIONAL

Charles M. Parish Jr.
First Secretary and Consul
Embassy of the United States of America

August 24, 1995

Dear Mr. Parish,

It was my great pleasure to be introduced to you during the dinner we had in Beihai Park. Our conversation was very pleasant and I was extremely impressed by your expedition to the Northwest Desert.

Actually I heard about you long ago, and was especially grateful to you for the convenience you had created prior [sic] our last trip to your esteemed country.

As remarked by Mr. Yan Sanzhong, Vice President of SINOPEC, we appreciate the great support you've provided our company over the years, and we would be very honored [sic] if we are given a chance to reciprocate it.

Good understanding breeds sound relationship [sic]. As I proposed, if you want to gain a vivid insight into China's petrochemical industry, our production facilities will be kept open to you and your colleagues at the US Embassy at any time. Besides, we'd feel even more happy to host you a boat trip to the Three Gorges. I can assure you that it would be a rather comfortable and exciting *expedition* to the native culture, history and sceneries [sic]. If you can take several days out of your busy schedule next month, I'd like to accompany you and show you some of our people at Chongqing and Wuhan.

I'll call you next week for a reply. Thanks again for all your support. Looking forward to talking to you

Yours sincerely,

Tang Jie
Manager, American Affairs
Liaison Office
SINOPEC INTERNATIONAL



Mr. Ambassador
U.S.Embassy
People's Republic of China

David Chen
Chinese-American Association
525 Market St. Suit 1008

September 28, 1995

Dear Mr. Ambassador:

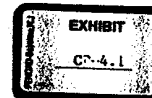
When I was on vacation in Peking last month I have gotten a lot complains regarding the illegal activities in you visa office. Some of your employees sell the visa to the citizen of China, the others receive bribe.

This is involved not only the Chinese translators but also the vice consul. They received the money and the valuable gift from the Chinese persons who eagerly want to get visa to America for varies reasons included the economic criminal. The price of each visa is from \$20,000 to \$30,000 (U.S.Dollars) that is 30 years' income of the average Chinese people.

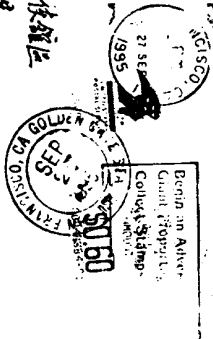
Kindly make the necessary investigate and action against the illegal actions, to defend the interest of America as well as the Chinese people.

Very truly yours,

David Chen
David Chen



David Chen
Chinese-American Association
525 Market St. Suite 1008
San Francisco, CA 94108



中國北京建國門外休館區
美國駐中國大使館

大使先生收

Mr. Ambassador
U.S. Embassy
People's Republic of China



Embassy of the United States of America

September 11, 1995

MEMORANDUM

TO: CONS - Charles M. Parish

FROM: CONS - Arturo S. Macias *AS*

SUBJECT: Visa Issuance

I have been given to believe that on Friday, September 8, you issued a number of visas to some secondary school exchange students from Guangxi Province to participate in some sort of exchange program in the United States.

I do not know if this is true, but if it is, I consider this highly inappropriate.

In future, I want you to confer with me before making a decision to issue visas to out-of-district applicants, particularly when they are in a category which we would consider problematic even if they lived in our own district.



Please pass to ADDI - Charles J. Johnson
Houston

Copies of the Houston Report relating to visa abuse by PRC nationals are being furnished to the Bangkok District Office and to the OTC in Hong Kong. Perhaps we can get AMCON Beijing and Guangzhou to scrutinize visa applications more closely.



SENI DT-ARFOX 1818CUP187 1021 2741-98 10-30 1

T 032 2043 41211H 2

Memorandum

U.S. DEPARTMENT OF JUSTICE
Immigration and Naturalization Service

HOOPS
FEB -7 110:15



Houston District

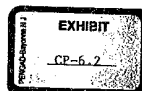
HOU 50/274A

Subject:	Chinese nationals employed in the United States	Date:	December 14, 1995
To:	Gerald C. Jacobson Assistant Regional Director for Investigations Central Region Dallas, Texas	From:	Charles J. Johnson Assistant District Director for Investigations Houston District Houston Texas

On December 6, 1995, the Houston District Employer Sanctions Unit (ESU) in conjunction with two investigators from the Department of Labor served an administrative search warrant on a group of manufacturing companies located at 4800 Clinton drive, Houston, Texas 77020. This group is comprised of four companies: Inter-Pacific Bag Manufacturing Company, Inc.; A&A Plastics Manufacturing, Inc.; American Bag Manufacturing, Inc.; and Titex, Inc. All four companies appear to be under the same control and possibly the same ownership. Inter-Pacific Bag Manufacturing, Inc. is owned by a Chinese company, Xin Nan, (Jiang Jiang) which also owns Industries General Corp., Inc.

Upon service of the warrants, approximately twenty-five Chinese nationals were found living on the premises, all of which presented either B1 or L1 visas. Of the Chinese, four were arrested for being out of status and subsequently granted voluntary departure to their country. Additional information from aliens arrested indicated that there are closer to forty (40) Chinese nationals living and working on the premises.

Interviews with the management of the company indicate that the Chinese aliens all work for Inter-Pacific Bag Manufacturing, Inc. and earn \$680.00 per month for 8 hours work, 5 days per week. Other employees and aliens arrested claim that the Chinese aliens live on the premises, work 6-7 days per week for 12 hours per day. The Chinese aliens arrested claimed they were being paid \$680.00 per month in addition to being provided living quarters.



DENI DT-AC/UA TELETYPE (02) 1 2-21700 1 10-01

T 002 2043 412118 4

CRO/INV

2

Interviews with the employees show that the Chinese nationals are working in all aspects of the manufacturing business to include janitorial, warehouse/shipping.

Although the company claims that the Chinese aliens are brought in for specialized work or managerial functions for which the visas are designed, the jobs they are performing are neither specialized nor managerial.

An interview conducted with the management of another bag manufacturer showed that although both companies used the same equipment, the second manufacturer does not have any problems training work eligible US employees to use the equipment. The manager claimed it takes from 1-3 months to train an employee on the use of the machine.

Inter-Pacific Bag Manufacturing, Inc. is currently facing civil sanctions from both the INS and OSHA, with additional fines be considered by USDOJ.

Enclosed you will find a copy of the company card of Xin Nan, in Houston, Texas, and copies of passports of several of the Chinese nationals encountered during the service of the warrant.

If you have any questions, please feel free to contact Supervisory Special Agent Robert L. Montgomery or Case Agent Mike Murphy at (713) 229-2854/2855.

[Signature]
Charles J. Johnson
Assistant District Director
for Investigations

cc: HQ/International Affairs
HQ/Field Ops
CRO/Intelligence - Jim Bailey
Nebraska Service Center
Vermont Service Center
California Service Center
Texas Service Center

Form G-1
(Rev. 1-1-60)



1 paper which sent
the nation

北京纪事



在美国驻华使馆外
京城毕业分配大战
京城民居里的外交故事
杨沫帮我改文章
国安足球队的魅力

96'4

EXHIBIT
CP-7.1

OUTSIDE THE EMBASSY OF THE UNITED STATES OF AMERICA

Hundreds of applicants line up for visas outside the American Embassy located in Xiu Shui Dong Jie early in 3am or 4am.

With red bands on their arms, an old guy named Chang and his wife keep the line order. Quite a lot of folding tools are prepared for the applicants. They collect one Yuan from each person for the service of number registration and folding tools. Some old, sick, disabled or worldly-wise persons often pay the Old Chang 40 to 50 Yuan for the early numbers without being noticed.

The Chang family's daily income is around 400 to 500 Yuan, around 10,000 per month. Sometimes more, sometimes less. Like days before, the government's agencies closed due to the unreachd agreements between the American Congress and Government so the embassy didn't issue any visas. Things lasted for 1 month and the old Chang had no income for that month. However, the Old Chang didn't look anxious. Loss of last month will be recovered in this one. Applicants waiting for two months look especially crowded outside. Due to the hard efforts by the Old Chang, a moving Chinese "hugh dragon" calmed down while waiting for the embassy door open in the chilly wind.

People whispered when they were waiting:

"How many times have you been here for the visa?"
 "Is it not easy during these days?"
 "It depends on which diplomat! The 'black' one is easier and it's hard to say for the 'white' one."
 "Sometimes the 'white' one is also kind, like window 6, the guy with blue eyes and blond hair."
 "What should I do if I can't speak English?"
 "These Americans are all sinologues sound like that 'Da Shan' on TV."

Some of them have been refused many times. They are familiar with each other. Having exchanged the experience, summed up the lessons and found out the characters of these American diplomats, they prepared well for the challenge.

When it's getting light, people excited again, standing up from the stool. The others followed without any hesitation.



People standing there for 1 or 2 hours like they are here to purchase new market stocks. For not knowing when the door will be open, some of them don't dare to go to WC. An old man hesitated:

"Is there still enough time to go to the WC?"

He had no idea who he was asking for.

Some warm-hearted person answered him: "Just stick on a while otherwise you'll waste these hours for lining up."

Then abuses shouted up from the queue: "Why don't they make a WC outside? seems much piss in the cold days."

Some of them could't stand it then went to the corner of the building to release. But most people had suffered for their self-esteem.

Afterwards, several had been informed to enter the little room.

The Old Chang and his wife called the numbers on the list. The line moved slowly.

Applicants had to line up for the 170 Yuan application fee. Some had to pay 1000 Yuan for the multi-entry visa fee. After that, they needed to fill out the forms and wait for the interview.

It seems there is only one most important point for the visa standard "anti-immigration". So all questions and dialogues are based on this.

An old lady wanted to visit her daughter in the States. The young American with big nose, blue eyes asked her:

"What's your purpose to the States?"

"To visit my daughter. She's giving birth. Difficult labor."

The young American was confused with "difficult labor". He asked seriously again.

The old lady answered impatiently: "That means not easy to give birth. Baby's hip came out first."

The American consul still confused: "Where should be out first?"

"Head, head first, you understand!"

"Yeh, it must be dangerous. Why you go there alone? Where is your husband?"

"Passed away long time ago."



"Anyone related to you here in China?"

"Son and 'sun zi' are both in China. How could I immigrate?"

"What do you mean 'sun zi'? Is that an insulting word?"

The old lady explained to the young consul patiently: "It's not a insulting word. 'sun zi' is my grandson. Not a slang."

The American consul learned something new and very happy. He repeated: "'sun zi' grandson. OK, you passed."

Next was a young man being refused to study abroad for many times. The entrance time had passed. He had to try an idea taught by the others.

He came to the window, standing straightly, with right hand on his chest, then song American anthem. So the other American consuls had to stand up and song together. After that, the interview began.

Staring at his eyes, nothing special, the consul asked him: "Why did you sing our anthem?"

The young man said: "The American and the Chinese are friendly, it couldn't be exclusive. I'd like to study modern technics from the American people. I hope you'll support me."

"OK!" visa's issued.

Of course, some inapplicable applicants are quite rude. A middle-aged man in Western dress, holding cellular phone, shouted in the embassy: "Damn it! We are doing the science research. Your programs couldn't be done without our help."

The consul reviewed his forms and refused him. He was given the reason through the microphone: "Sir, you have no proper reason. You wife has no fixed income in the States and couldn't afford you. Please go out, otherwise we have to force you."

At this time, several Negro soldiers appeared beside him, he had to leave angrily.

Most of the refused applicants are assumed as immigration intendency. There are misunderstandings in some of them.



A single old man had been refused to visit his son for several times. He had no option. That morning, he sat in the wheel-chair and told the consul: "I have to take medication for my legs in the States. Here is the notice from the American hospital. I believe that only the American doctors can cure my legs and I was told the sooner the better." The consul issued him the visa.

When he picked up the yellow visa sheet, he stood up immediately, and said sarcastically: "I'm the doctor myself. I've cured many foreigners' sickness. The treatment condition in the States is much better but the technics is not as good as ours. He left the wheel-chair and walked quickly away.

For sure, the happiest is the Old Chang. For he knows those been refused will be back here some day, and that's the way his fortune comes from. The board in the fee collection place of the embassy is said "welcome next time".

The Old Chang's income is small potato compared with the embassy's. The income of visa fees per day is tens of thousand, and hundreds of thousand for one month. It is a good way of earning during the days full of disputes between the American Congress and Government.

But it's a big expense for chinese who are willing to go to the States, let alone standing in the chilly wind for ten hours. Some of them have to pay more than thounds yuan even ten thousands yuan for the transportation fee.

Actually here is another fact couldn't be ignored: The foreign students studying abroad are outstanding ones here in China. The chinese government paid much on them and after they finished their studies they become the tax payer of the American Government.

Look at this long line. When it could be shorten? When the "dragon" could turn it's head back?

Is this the way paving to the heaven or to the hell?

Article from magazine "Beijing Chronicle" April, 1996



北京纪事 '96.4



纪事论坛

心照不宣的“自费班” 石 丛(1)

大家小品

酒量 巴国政(12)

京城内参

在美国驻华使馆外 闻 言(4)

本刊专稿

京城毕业分配大战 文 文(18)

来自大红门的报告 李武魁(48)

北京人

杨沫帮我改文章 段燕勤(41)

翁立和他的“胡同三部曲” 魏 革(35)

曲美, 谁弹奏 杨清源(54)

京城“鸟”人和鸟市 天 荣(50)

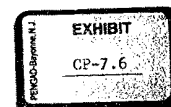
北京故事

京城民居里的外交故事 周家望(21)

动物文化沙龙 李向阳(42)

电脑故事 沈振羽(53)

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京城内参

在美国驻华



使馆外

***** 文 言 摄影/大 伟

从清晨三四点钟起，从美国大使馆的窗户外就可以看到北京的清晨，那是薄雾笼罩的清晨，是灰蒙蒙的清晨，是让人感到压抑的清晨。从清晨三四点钟起，从美国大使馆的窗户外就可以看到北京的清晨，那是薄雾笼罩的清晨，是灰蒙蒙的清晨，是让人感到压抑的清晨。

清晨的北京，在晨曦中苏醒，在晨曦中苏醒，在晨曦中苏醒。清晨的北京，在晨曦中苏醒，在晨曦中苏醒，在晨曦中苏醒。

清晨的北京，在晨曦中苏醒，在晨曦中苏醒，在晨曦中苏醒。清晨的北京，在晨曦中苏醒，在晨曦中苏醒，在晨曦中苏醒。清晨的北京，在晨曦中苏醒，在晨曦中苏醒，在晨曦中苏醒。

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再给办证，一拖，就是近一个月。他再等一个月就没有任何收入，只能靠家里那点积蓄，上个月的薪水也花光了。他再等一个月就没有任何收入，只能靠家里那点积蓄，上个月的薪水也花光了。

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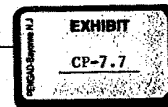
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— 1 —



京城内参

“这几个老美都是平舌音，说起话来个个都像电视上那个大山似的。”

其中有些人多次遭到拒绝，多次来排队，互相之间已经很熟悉了。他们互相交流经验，总结教训，对那几个美国外交官的性格摸得较透。都是精心准备前来应战的。

当天色大亮，人们又激动起来。坐马扎儿的人都已站起，后边的紧粘着前面的，丝毫不敢懈怠。

马路对面就是那个两层楼的美使馆。楼上的窗来更有气无力地飘动着，好像没有窗棂一样。

人们就这样站立一两个小时，腿折膝盖，样子就像争购新上市的股票似的。由于不知道什么时候开门，有些人不敢上厕所，其中就有一个老人不断地转圈，也被想得直跺脚：

“现在上厕所还来得及吧？”

他也不知道是在问谁。

回答他的热心人却很多：

“坚持一下吧，老大哥，如果加到您，您就上厕所啦，这几个仰头的队不是白排了？”

队伍中开始发出咒骂声：“这帮王八蛋，也不在外面修个厕所，连个茅坑，屎就特多。”

有些人忍不住了，也就不管男女有别，跑到楼前处“解解”地撒开了。可多数人的自尊心却让他们憋受着。

☆☆☆☆☆



然，在大家排到毫无希望的时候，传达室传出金属的敲击声。敲几下，就是告诉你们几个人。

老傅头和老伴拿着早已登记好的名单开始叫人，队伍一点点地往前蠕动。有好奇者问那个被憋得直跺脚的老人：“怎么不跺脚啦？”

老头平静地说：“还躲个屁，早就憋着喘气儿出来了。”

“没开呀，里屋没门呀，只能看到脸，看不到下边……”

不一会儿工夫就又被进去几十个人。

人们走到楼里面，排队交手续费，一交就是几百元。有些多次往返的还交上千日元，交完钱，开始叫名字，然后又等待加塞。一开始，只有一位年轻的白人领事叫到名字，过了一会，当叫入的队后上了楼来，又叫了两位工作人员。

当时的场面最重要的看来只有一条：“防止移民倾向”，因此提问，对进至面谈这个中心进行。

其中有一位老太太要去看她在美国的儿子，一个黄子，温很弱的美籍小伙子问她：“你由美国干什么？”

“去看女儿，她生小孩啦，是产！”

美国青年会是中国通，但也不是精通各种事情，比如这个“是产”，他就搞不明白。他认真地问：“什么叫是产？”

老太太没好气地回答他：“是产就是生孩子困难，屁股先出来。”

美国领事还是搞不明白，因为他还没有结婚，有些知识就是用美国话说，他也不一定就懂，他疑惑地问：“应该谁先出来？”

“头，脑瓜，脑袋先出来……明白了吗？”

“噢！明白，那太危险了，怎么就你一个人去看她，你的先生呢？”

“我老伴儿早就死了。”

“这么说你走了美国人就都到美国了，在中国你还有什么人？”

“我在中国还有儿子、孙子，怎么移民呢？”

“什么叫移民？你是不是在骂人？北京人不高兴了就骂人孙子。”

老太太面对单眼的美国小伙子，也就耐下心来慢慢解释：“我不是骂人，孙子就是儿子的儿子，我们管这个叫做孙子。”

美国领事学习到新的知识，很





是高兴，也要看说：“儿子的儿子叫孙子，OK，通近啦！”他还要为孙子想了。

下一个是位年轻人，他是到美国来学习的，因为多读些书，他错过了入学的时机，别人给他出了个馊主意，在赴美无用的情况下先干一阵。

他来到领事馆前并不坐下，而是站得笔直，右手放在心里，用英文高声唱起了美国国歌，唱得几近美国第一国歌，唱得一路唱得起来，唱得响亮，他唱得真好听，可领事没理。

领事说：“你为什么要唱这首歌，你没有什么理由，你唱这首歌，‘你为什么要唱这首歌’”

年轻人说：“美国，美国国歌，我是爱好的，一个美国人是会唱这首歌的，我热爱美国，一个美国人是会唱这首歌的，我热爱美国，一个美国人是会唱这首歌的，我热爱美国。”

领事说：“OK”——他终于给他签证了。

当然，到美国使馆签证的中间也有来件不办，但这是正常的，其中有一位中国女士，她到美国，手边没有钱，在使馆里苦熬三天：“告诉的，我到你们美国去是来旅游的，没有我你们的护照就进不了。”

领事们不是一样，当美国使馆的官员给他来个“拒签”，他就跟二大爷，领事们手边没有钱，他就跟二大爷，领事们手边没有钱，他就跟二大爷，领事们手边没有钱，他就跟二大爷。

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美国肉参

说完，连枪带也不要了，抱腿就走，而且走得飞快。

使馆外面仍然是人山人海，大家都在观察着每个从使馆里出来的人。

出来的人表情不一，有高兴的，有紧张的，有的本来是两口子，被一个给签了，另一个没有签，有个别感情脆弱的竟然哭了起来，外边的好心人就上来安慰他们：“别，下回来吧。”

最高兴的当属负责办证的官员了，因为他也签，他们肯定还要来，来了就肯定还会向他交钱，他的财源滚滚不断，当然，他也要大笔的收费，收费处的大桌子上赫然写着几行大字：“欢迎下次再来！”

他们的收入比起普通干部就是大见小见了，他们一天就收入几千元人民币，一个月下来就是三万多，在美国国会可以买得起好房子，在今天的今天，这确是一个良好的三万之谱。

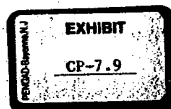
面对广大的前往美国的中国人来说，这确是一个不错的买卖，不用为将来的日子操心，不用为将来的日子操心，不用为将来的日子操心，不用为将来的日子操心。

其实这还有一笔看不见的账：到美国留学的留学生，都是中国的精英，中国政府可以收到大量的钱，他们也是中国的，可以为中国政府工作，可以为中国政府工作。

路，还来长长的队伍，还来排得不断的排着色的队伍，什么时候才能变得短一些呢？什么时候才能见到“龙回头”呢？

这的确是一条通往天堂的坦途，还是通向地狱之门的黑暗之路呢？

责任编辑 傅伟





Subject	Date
3 PRC's who were refused entry on 12/11/95	December 12, 1995

To Fred Ho, SII

From Marc Beeson, II
Marc Beeson, II

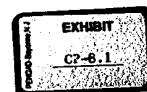
On December 11, 1995 a group of Chinese were seeking to enter the United States for business. Two of the three were questioned by this writer, while roving, while the other was secondaried by II Blake.

In secondary, the three people claimed not to know one another, which was found out later to be false. They were all traveling together, though they went through separate lines, and were carrying invitation letters from LCP International. The faxed letters were sent one minute apart and the tickets that they were carrying were in sequential order.

The subjects all claimed to be coming to the U.S. for business. They claimed to be coming to learn about computers, which is what they said they did in China. Specific questions were asked to the subjects regarding computers, and the subjects were unable to answer them. They could not tell this writer what RAM (random access memory) was. They were unaware of the brand of computers that they sold in China and could not tell me any of the different components of a computer. The subjects did not want to give a written statement on an I-215B.

LCP Int'l was called and they said that the subjects were registered for courses in the U.S. but that they were not responsible for making sure the subjects left the U.S. once the courses were completed.

The subjects were in possession of passports, tickets, \$1,000, a business card and a small amount of clothing. They were carrying no documentation regarding the training that was about to take place, nor did anyone come to claim responsibility for the subjects.



U.S. Department of Justice
Immigration and Naturalization Service

NOTICE OF VISA C
BORDER CROSSING



TO: American Consul Beijing, China
(location)

FROM: USINS San Francisco Ca.
(location)

File No.:

Date:

12/11/95

Subject: Notice of Visa Cancellation/Border Crossing Card Voidance

Basis for Action

- ☐ Departure required (8 CFR 242.5) (Form I-213 attached)
- ☐ Deportation proceedings initiated (Forms I-213 and I-221 attached)
- ☐ NIV Holder excluded (order attached)
- ☐ IV Holder excluded (order attached)
- ☐ Application for Admission withdrawn (NIV Holder) (acknowledgment below)
- ☐ Application for Admission withdrawn (Holder of Form I-186 issued by Consul) (acknowledgment below)
- ☐ Waiver revoked (212(d)(3)) (order attached)
- ☐ Impostor presented document (report below)

Name Wu, Ying Dian		Nationality China
Birthplace Beijing	Birthdate 6/23/59	Foreign Address Number, Street, City, Province, State and Country of Permanent Residence
Name of airline, vessel, or other means of arrival in U.S. CI 004		Port of Arrival SFR
Date, Place Passport Issued 12/03/92 Beijing		Date of Arrival 12/11/95
Passport No., Type 1995335828005 0		Date Passport Expires 12/ 2/ 97
Type and number of Visa 1995335828005 0		Date and place visa or I-186 issued 12/4/95 Beijing
Name of visa or I-186 issuing official		Social Security Number of Applicant

REASONS: (Include all pertinent facts concerning use of altered, counterfeit, or fraudulent documents)

Subject arrived this date via CI 004, from Taipei, seeking admission to the United States for business. The subject was in possession of a valid Chinese passport and a B-1, single entry, visa. A secondary search revealed that the subject was only in possession of \$1,000 U.S.. The subject claimed to be coming to learn about computers but knew nothing about computers, and the person in the invitation letter, who was supposed to be waiting outside, never came forward to —

Signature and Title of Officer

This part to be completed when application for nonimmigrant admission withdrawn

I understand that my admissibility is questioned for the above reasons, which I have read or which have been read to me in the _____ language. Although I understand I may choose to appear before an Immigration Judge for a hearing in exclusion proceedings, I request that I be permitted to withdraw my application for admission and to return abroad.

Signature of Alien

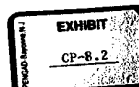
Date

- ☐ CC: File A. _____ (ro)
- ☐ CC: Subj. File. _____ (ro)
- ☐ CC: Regional Intelligence Officer

* If subject, is IV holder, also show, in "REASONS" block, the class of IV presented, the foreign state or dependent area to which charged, and the IV number allocated.

Form I-275 (Rev. 8-1-84) Y

AMCON



claim the subject. The subject was returned with the statement on an I-215.
INA. The subject chose to voluntarily return to China in lieu of seeing the Immigration Judge.
see The subject refused to make a statement on an I-215.

Form I-215B
(Rev. 9-1-73)UNITED STATES DEPARTMENT OF JUSTICE
IMMIGRATION AND NATURALIZATION SERVICE
RECORD OF SWORN STATEMENT IN AFFIDAVIT FORM
AFFIDAVIT

IN RE: Wu, Ying Dian FILE NO. _____
 EXECUTED AT SFA DATE 12/11/95
 Before the following officer of the U.S. Immigration and Naturalization Service:
 in the _____ language. Interpreter _____ used.

I, Wu, Ying Dian, acknowledge that the above-named officer has identified himself to me as an officer of the United States Immigration and Naturalization Service, authorized by law to administer oaths and take testimony in connection with the enforcement of the Immigration and Nationality laws of the United States. He has informed me that he desires to take my sworn statement regarding:


Subject refused to make statement.

CONOMY CLASS BOARDING PASS/ 登機證			
航次 Flight	日期 Date	目的地 Dest.	艙位 Class
CI0004	11 DEC	SFO	TPE
CONOMY CLASS BOARDING PASS/ 登機證			
航次 Flight	日期 Date	目的地 Dest.	艙位 Class
CI0004	11 DEC	SFO	TPE
登機門 Gate	登機時間 Boarding	座位 Seat	座位 Seat
003	15:50	43H	TPE
姓名 Name		編號 Seq. No.	備註 Remarks
WU YINGDIAN		951	
航空公司 AIRLINES			
CHINA AIRLINES			



中华人民共和国外交部请各国军政机关对持照人予以通行的便利和必要的协助。

The Ministry of Foreign Affairs of the People's Republic of China requests all civil and military authorities of foreign countries to allow the bearer of this passport to pass freely and afford assistance in case of need.



签发日期 03 DEC 1992 1103 签发地点 北京
Date of issue Place of issue
03 DEC 1992 1103 BEIJING

P CHN 140048988

姓名 Name in full 吴迎典
WU YINGDIAN

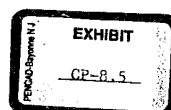
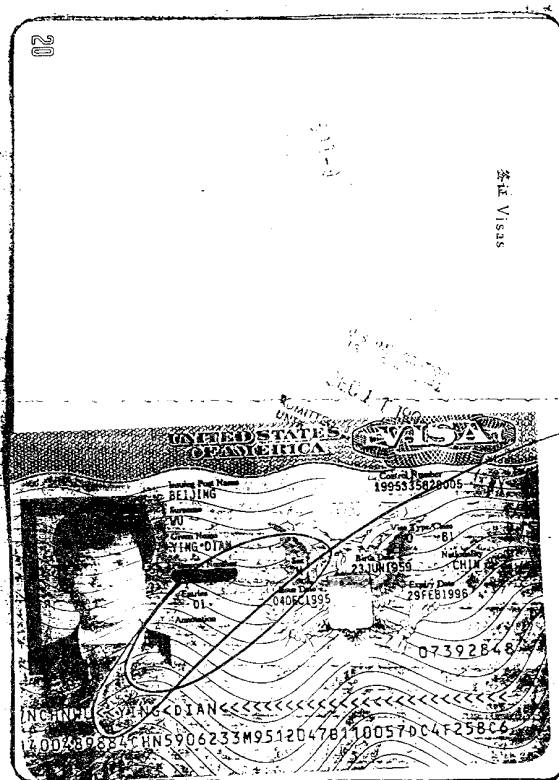
性别 Sex 男 职业 Profession 无业人员 婚姻状况 Marital status 已婚
M UNEMPLOYED MARRIED

出生日期 Date of birth 1959. 06. 23 出生地点 Place of birth 北京
23 JUN 1959 BEIJING

有效期至 Date of expiry 1997. 12. 02

护照号码 Passport No. [REDACTED]







LCP International Institute

English Language Training, University Preparation and Placement,
and Educational Administration Services

December 4, 1995

Beijing Sun Electronic Technology Engineering Company, Ltd.
Rm. 3203 Zhi Yu Hotel, No. 55 Zheng Kwong Road
Haidian District
ATTN: Mr. Wu Ying Dian, Manager

It is our sincere pleasure to formally invite the members of the short-term study-tour group from your esteemed company to attend the customized business and culture program developed and performed by LCP International Institute. The program will be held at our Center in Sacramento, California, U.S.A. from December 11 through 22, 1995. The program will include activities designed to provide the participants with a well-rounded exposure to U.S. business practices and American culture, as well as training in business English. In addition, the group will take part in a one-day industry visit to enhance their understanding of U.S. management and operations practice in the exporting business.

We very much look forward to the arrival in California of the three participants from your company:

<u>Name & Title</u>	<u>Date of Birth</u>	<u>Passport Number</u>
Mr. Wu Ying Dian, Manager	06/23/59	[REDACTED]
Mr. Yin Wei Dong, Sales Engineer	10/27/63	[REDACTED]
Mr. Wang Jing Ming, Sales Engineer	11/06/63	[REDACTED]

If we may be of any further assistance, please do not hesitate to contact us.

Sincerely,

Manijeh Brueggeman
Vice President

MB:bb

Executive Office: 930 AT&T Tower, 8601 Irvine Center Drive, Irvine, CA 92718
Tel: (714) 753-0660 Fax: (714) 753-0880
Fellowship Management Division: 405 University District Building, 1107 N.E. 45th Street, Seattle, WA 98106
Tel: (206) 647-6106 Fax: (206) 647-6106

• California State University • University of Redlands Center • Irvine Valley College Center



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3 297 3764447395 0 0	
34215853121	

EXHIBIT
CP-8.7

34497738 04

Immigration and
Naturalization Service
I-94
Arrival Record

1 Family Name
2 First (Given) Name
3 Birth Date (Day/Mo/Yr)
4 Country of Citizenship
5 Sex (Male or Female)
6 Passport Number
7 Airline and Flight Number
8 Country Where You Live
9 City Where You Boarded
10 City Where Visa Was Issued
11 Date Issued (Day/Mo/Yr)
12 Address While in the United States (Number and Street)
13 City and State
14 Country of Citizenship

Wu
Ying Dian
23 06 59
China
Male
C1 004
China
Hong Kong
Bei Jing
04 12 95
Hotel
Sacramento
Ca.

34497738 04

Immigration and
Naturalization Service
I-94
Departure Record

1 Family Name
2 First (Given) Name
3 Birth Date (Day/Mo/Yr)
4 Country of Citizenship
5 Sex (Male or Female)
6 Passport Number
7 Airline and Flight Number
8 Country Where You Live
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Wu
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Male
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04 12 95
Hotel
Sacramento
Ca.

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Immigration and
Naturalization Service
I-94
Arrival Record

1 Family Name
2 First (Given) Name
3 Birth Date (Day/Mo/Yr)
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WANG
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T. A. P. E. I.
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Male
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04 12 95
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Sacramento
Ca.

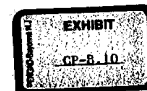
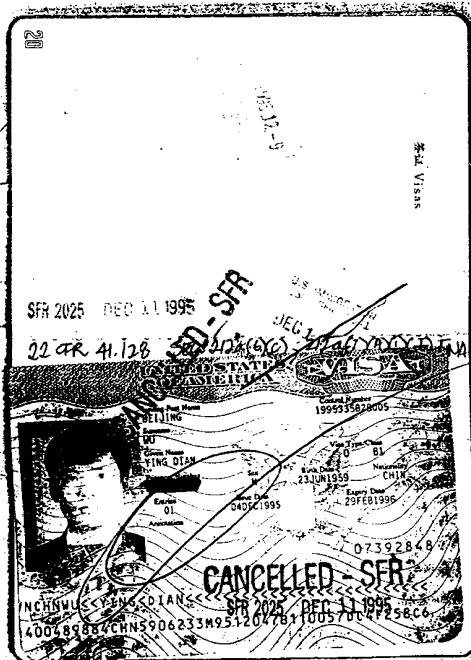
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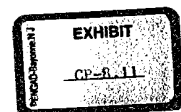
ENGLISH

STAPLE HERE









传染病监测证明

No. 0012180

旅客姓名 吴迎典 年龄 1959年生 性别 男/女
护照号码 140048988 发证机关 公安部

该旅客已依照《中华人民共和国国境卫生检疫法》及其实施细则和我国

有关卫生法规的规定，于入/出境时在口岸接受艾滋病、梅毒血清学检查。特此证明。

附检验结果：

快速全血HIV抗体凝集法：阴性 Negative

检疫医师签名：

中华人民共和国
出入境检验检疫局

日期：

95.12.09

PORT OF SAN FRANCISCO, CALIFORNIA DATE 12/11/95
 To the Owner, Agent, Consignee, Charterer, Master, Commanding Officer, or Officer in Charge of the
CHINA AIRLINES, FLIGHT C1004
(Name of vessel or aircraft identification)

Pursuant to the provisions of the Immigration and Nationality Act, and the Regulations issued by the Attorney General thereunder, you are directed to—

☐ Detain on board.

☐ Deport from the United States.

MONDAY, DECEMBER 11, 1995 @ 1400 HOURS

☒ Remove to FOREIGN on MONDAY, DECEMBER 11, 1995, at 1400 HOURS M.

☐ Present to _____ on _____

for the following reason(s) ALIEN(S) NOT ADMISSIBLE TO THE UNITED STATES

the alien(s) named below:

NAME	DATE OF BIRTH	STATUS ON VESSEL OR AIRCRAFT (1st, 2d, 3d, or tourist class passenger; member of the crew, steward, etc.)
WU YING DIAN	06/23/59	PASSENGER
CHEN BAOJIAN	01/07/61	PASSENGER
WANG JING MING	11/06/63	PASSENGER

NOTE TO AIRLINE REPRESENTATIVE:

The above named passenger which arrived on your flight as indicated above, is held in Service Custody to complete inspection at a later date and place. Should he/she be found excludable and so ordered by an Immigration Judge, your airline will be held responsible for cost of his/her removal from the United States.

MARK BEESON, IMMIGRATION INSPECTOR

Receipt of the above notice is hereby acknowledged:

Dong Wang (China Airlines) DEC 11 1995 at 3:00 PM.
(Signature & Title of person receiving notice) (Date) (Time)

_____, 19____, at _____ M.
(Signature & Title of person receiving notice) (Date) (Time)

_____, 19____, at _____ M.
(Signature & Title of person receiving notice) (Date) (Time)

*When presented to the Immigration Station in accordance, the officer must be satisfied as to the status of the alien and that they are not inadmissible under the laws of the United States. Each alien must be held by the alien's own airline or other responsible party until the alien is removed from the United States. The alien must be held for further removal examination in the United States until they are removed from the United States. The alien must be held for further removal examination in the United States until they are removed from the United States. The alien must be held for further removal examination in the United States until they are removed from the United States.

FD-302 (Rev. 10-1-81)



Inventory of Items Removed from Beijing office of
Charles M. Parish Jr.

- Genuine Rosewood Ballpoint Pen, Letter Opener, Trifocal Magnifier (Noymer)
- One blue *Reebok* watch
- Gold letter opener, paperweight, and letter opener (Qualcomm International)
- One black leather *Celine* wallet
- One Bank of China 925 Sterling Silver Proof Medallion, minted by the Singapore Mint, in red case
- One Gold and Silver Plated IBM watch
- Small red silk purse containing 2 acorn stamps

- Envelope labeled "Thank You." with four cards, each containing Chinese stamps:
 - red picture card with two stamps dated April 4, 1993
 - white picture card with four stamps dated November 10, 1995
 - light green picture card with four stamps dated November 28, 1995
 - dark green card with four stamps dated March 20, 1996

- One gold and silver plated *Quill* Ballpoint pen labeled Dubois Business College
- One "Chinese Arts & Crafts (H.K.) LTD. Plastic Bag with Hong Kong Tourist Association Seal
- One *United Colors of Benetton* Large Plastic Bag
- Empty box in Christmas wrapping paper. attached card with "Thank You" letter from Christopher Malzone on "Foster Wheeler" paper. Dated March 19, with no year given



Page 2

Parish Inventory

- One 10 KT Gold Filled *Cross* Ballpoint pen, with *GE* (General Electric) symbol
Geoffrey Beene blue silk necktie in "Stern's" box
- Box with 100% silk necktie and suspenders set
- Large brown envelope to Mr. Charles Parish from Yuzhi Duan (Jenny), with label stating contents as being a gift of 4 ties. Dated March 19, 1996, contains "Thank You" letter
- Three Business Cards:
 - Xui Wen Wang, Dean of International Studies, DuBois Business College (PA)
 - Christopher F. Malzone, Commercial Director, Foster Wheeler Energy Corporation (NJ)
 - Zou Xue, Chairman of the Board, The Light City Co. LTD (Beijing)



INTEROFFICE MEMO

Date: 03/30/98
To: RSO - J. McWhirter; M. Chu
CC: Charge - Mr. McCahill; CG - D.L. Lyon
From: Nonimmigrant Visa Unit - D.P. Halpin
Subject: Another Report on Past Visa Malfeasance

I had a meeting on Friday afternoon, March 27th, with Cynthia Bushman of Velmur Investments H., Inc. of San Diego, California. Ms. Bushman's firm wishes to sell California real estate to wealthy Chinese business people and she had questions on visa procedures. Ms. Bushman is a Filipina-American who used to reside in Beijing with her ex-husband, who was a business representative for a U.S. firm in the agricultural business. She said she is well acquainted with Mr. Xie of our Embassy from the time she lived here.

Ms. Bushman said that she wished to be "above board and follow proper procedures" in NIV processing in Beijing "especially after what happened with your predecessor." She said that there was a Filipino-American in California who had been involved in visa processing with Charles Parish and so "a lot of people in California are aware of what happened." Playing stupid, I asked her what exactly she meant. Ms. Bushman replied "Visas for S-E-X." Ms. Bushman left her business card and said she periodically comes to China on business.



⑤

Office of Inspector General

Information of Record Form

Case No: 98-039	Date: 2/27/98
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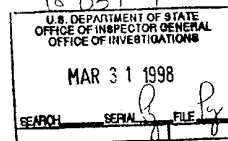
GUO HAI FAN
Chinese National
Burlington, VT

GUO HAI FAN, an illegal Chinese alien was interviewed at the Burlington Airport, located in Burlington, VT, by Special Agent Natalie C. Murphy, with the U.S. Department of State, Washington, D.C. and Special Agent [redacted] with USINS, Border Patrol, Sector Headquarters, Canadian Border Intelligence Center, Swanton, VT, telephone number: [redacted]. FAN provided substantially the following information:

FAN stated that he had the opportunity to purchase a L-1 multiple-entry visa a couple of years ago from an individual by the name of Feng Li, a manager with People's Republic of China Immigration Authority. FAN related that he met Li and a woman identified only as Mrs. Zhao, at a business trade show in Beijing in December 1995. FAN described Zhao as in her early forties and an employee at the U.S. Embassy. It was said that she can arrange for a multiple-entry L-1 visa for FAN for \$7,000. It was also said in this meeting that he should not take too long to think about this because the other Embassy employee involved in this scheme, who goes by the name of "Paul", was due to rotate back to the U.S. soon. Zhao's home phone number is: 10-65323431 and her work number at the Embassy is 10-665323431, ext 234. "Paul" was described as a black, male employee. Zhao also said she could get other types of visas. FAN did not purchase a visa from Li or Zhao, he said he did not want to pay the \$7,000 they were asking.

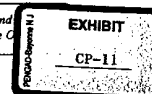
FAN was shown the Foreign Service National (FSN) staffing pattern and identified the name of the visa assistant, Guangqian Zhao, as the Embassy employee he met with.

Upon his return to Beijing, FAN was asked to contact Li to determine if visas can still be purchased from the U.S. Embassy in Beijing.



Interviewed On: 2/27/98	At: Burlington, VT
Date Drafted: 3/3/98	By: SA Natalie C. Murphy [signature]

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ACCOMMODATIONS		DATE	10/19/78
NAME		PLEASE PRINT	CHAVEZ, W. ALBERT JR
OFFICE TELEPHONE NUMBER		HOME TELEPHONE NUMBER	

1	5	7000	1	\$
2	5		2	\$
3	5		3	\$
TELETERMINAL NUMBER		10/19/78	4	\$
O.V.R. AUTHORITY		CASH	5	\$
INSTRUCTIONS		NO PRESENTATION	6	\$
NO		ON CARD	7	\$
NET DEPOSIT/PAYMENTS			8	\$
CASH RETURNED			9	\$

FOR OFFICE USE ONLY

ALBANY, N.Y. 12208
1610 N. STREET
STATE DEPARTMENT FEDERAL CRIME DIVISION

TELEPHONE: (703) 706-5000 - METRO AREA - FAX
(703) 684-1613



HONG ZHAO
820 W. ADAMS
MONTEBELLO, CA 90640

161
1-26 1978

Pay to the
Order of Charles Pawsh \$ 7000
Seven thousand only Dollars ☒ Security deposit on back

EAST-WEST BANK 4-98
2825 VIA CAMPO
MONTEBELLO, CA 90640

For [Signature] MP

⑆32207038⑆ ⑈0000700000⑈

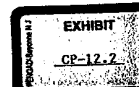
011013871 19980209 06 006 00 SOFCU-ALEX >256075342<

03 FEB 98

SOFCU-ALEX
FEDERAL SAVINGS
AND LOAN ASSOCIATION
STATE DEPARTMENT
FCU
ALEXANDRIA, VA
22304-7000

0 FEB 98 03:10 PM

ENCLOSURE
Charles Pawsh



DIPLOMATIC SECURITY

PAGE 01 OF 02 BEIJING 14050 00 OF 02 021122Z 9701 001745 053402

ACTION 053402

INFO NY-01 DEAP-01 02-01 /003 A2

INFO LAC-01 0057-00 TERC-00 ADS-00 ADS-01 0500-00 /0010

R 021122Z MAY 96
FM AMEMBASSY BEIJING
TO SECRETARY WASHDC 6854

UNCLAS BEIJING 014050

DS CHANNEL

SENSITIVE

FOR DS/OP/EP, DS/CR/VP

E.O. 12958: N/A

TAGS: ASAC

SUBJECT: POSSIBLE VISA MISCONDUCT/ETHICS VIOLATIONS

1. NAME OF CASE SUBJECT TO BE PROVIDED BY SEPARATE CORRESPONDENCE.

2. RSO WAS REQUESTED BY CHARGE TO PARTICIPATE IN A MEETING WITH SUBJECT, CONGEN, AND THE HEAD OF AMERICAN CITIZENS SERVICES. THE PURPOSE OF THE MEETING WAS TO DISCUSS ALLEGATION OF QUESTIONABLE CONDUCT BY SUBJECT IN HIS POSITION IN THE EMBASSY BEIJING VISA SECTION. SUBJECT RETURNED THE EVENING OF 20 APRIL, 1996 FROM A TRIP TO THE UNITED STATES. THE MEETING OCCURRED ON 1 MAY 96.

3. INFORMATION PRIOR TO RETURN OF SUBJECT SHOWED THAT HE HAD TRAVELED WITH TWO FEMALE CHINESE CITIZENS:

- YANG, LI PING (0017/7723/1827), DOB 13 MAY 42, A LOCAL EMPLOYEE (DIPLOMATIC SERVICES BUREAU) WHO HAS BEEN ACTING AN ASSISTANT TO SUBJECT AND SITS WITH HIM IN HIS OFFICE, AND
- JI, YING (1932/15740), DOB 16 JUNE 31, NO KNOWN ASSOCIATION WITH SUBJECT.

4. CONSULATE RECORDS INDICATE THAT SUBJECT ISSUED VISAS FOR THE TWO WOMEN. ALL THREE SETS OF TICKETS FOR THE FLIGHT CAME FROM THE SAME TRAVEL AGENCY AND ALL WERE BOOKED ON THE SAME FLIGHT.

5. THE PRE-INTERVIEW INFORMATION ALSO REVEALED THAT THE SUBJECT WAS GIVEN A BIRTHDAY PARTY IN JANUARY 1996. THE PARTY WAS HELD IN THE BALLROOM OF THE GUANG DONG REGENCY HOTEL, ALSO KNOWN AS THE HUAGUO FARMING. IT WAS A LARGE PARTY WHICH MOST MEMBERS OF THE CONSULATE STAFF ATTENDED.

6. THE CONGEN OPENED THE DISCUSSION WITH COMMENTS REGARDING HIS CONCERN ABOUT THE LAX PROCEDURES IN THE VISA SECTION. THESE INCLUDED THE INADEQUATE CONTROLS WHICH LEAD TO ACCOUNTABILITY PROBLEMS FOR THE MONEY RECEIVED FOR VISA FEES AND FOR THE VISA FOLDS. THESE LAX CONDITIONS ALONG WITH THE QUESTIONABLE PRACTICE OF SPECIAL TREATMENT FOR SOME CLIENTS HAD LEAD TO A GENERAL PERCEPTION OF INAPPROPRIETY IN THE U.S. EMBASSY VISA SECTION.

7. SUBJECT WAS THEN QUESTIONED ABOUT HIS RECENT TRIP. SUBJECT STATED THAT HE PURCHASED HIS OWN TICKET USING HIS PERSONAL FUNDS FROM A PUBLIC AGENT RECOMMENDED BY THE NORTHWEST AIRLINES OFFICE. HE PAID A FEE FOR THE TICKET THAT WAS AVAILABLE TO ANY QUALIFIED PURCHASER. HE STATED

THAT HE HELPED ARRANGE FOR THE TICKETS FOR THE TWO TRAVEL COMPANIONS BUT DID NOT PAY FOR THEIR TICKETS, AND DID NOT KNOW THE SOURCE OF THE MONEY USED TO PAY FOR THEIR TICKETS. HE FURTHER STATED THAT THE TWO WOMEN WERE HIS FRIENDS AND THAT THERE WAS NO ADDITIONAL RELATIONSHIP. HE ALSO SAID THAT THE TWO WOMEN TRAVELED WITH HIM TO AND FROM THE U.S. ON THE SAME FLIGHT AND SPENT VARIOUS PORTIONS OF TIME WITH HIM DURING THE TRIP.

8. RSO REMINDED SUBJECT THAT DEPARTMENT POLICY REQUIRES THAT HE REPORT ANY PERSONAL RELATIONSHIP WITH A CHINESE NATIONAL IN WHICH THERE IS AFFECTION, INFLUENCE, OR OBLIGATION. RSO ALSO REMINDED SUBJECT THAT HE MUST REPORT INSTANCES OF CORRUPTION WHICH IS DEFINED AS SHARING THE SAME LIVING QUARTERS WITH FOREIGN NATIONALS FOR THE BETTER PART OF ONE WEEK. SUBJECT DID NOT RESPOND TO THESE REMINDERS.

9. SUBJECT WAS ASKED IF HE HAD EVER RECEIVED ANY ITEM OF MATERIAL VALUE INCLUDING GIFTS, FAVORS, OR ENTERTAINMENT FROM ANYONE WHO HAS INTERESTS THAT MAY BE SUBSTANTIALLY AFFECTED BY THE PERFORMANCE OR NON-PERFORMANCE OF HIS PERSONAL DUTIES, VIS-A-VIS, THE ISSUANCE OF VISAS. THE SUBJECT RESPONDED THAT HE HAD RECEIVED AS WELL AS GIVEN SMALL GIFT ITEMS BUT HE HAD NOT RECEIVED ANYTHING OF

SIGNIFICANT VALUE. HE WAS THEN QUESTIONED ABOUT THE BIRTHDAY PARTY HE WAS INVOLVED WITH IN JANUARY 1996. HE STATED THAT THIS WAS A PARTY GIVEN BY HIS FRIEND ZOU, WHO, THAT THE PARTY WAS ALSO A BIRTHDAY PARTY FOR HER, AND THAT HE DID NOT REMEMBER THE LOCATION. SUBJECT STATED THAT MEMBERS OF THE CONSULATE HAD ATTENDED BUT HE DID NOT RECALL NOW THEY WERE INVITED. ACS HEAD INTERJECTED THAT HE HAD SEEN INDIVIDUAL INVITATIONS FOR MEMBERS OF THE CONSULATE STAFF, AND THAT THE INVITATION INDICATED THAT THE PARTY WAS FOR SUBJECT. IN RESPONSE TO QUESTIONS AS TO THE NATURE OF ZOU'S BUSINESS, SUBJECT STATED THAT SHE HAD A U.S. REAL ESTATE DEVELOPMENT COMPANY. SUBJECT ADMITTED THAT ZOU SPONSORED SOME VISA REQUESTS. CONGEN THEN PRODUCED A STACK ABOUT 150 LETTERS OF INVITATIONS SIGNED BY ZOU WHICH HAD BEEN FOUND IN SUBJECT'S OFFICE DURING HIS ABSENCE. THE CONGEN HAD RETRIEVED THE LETTERS ALONG WITH THE ASSOCIATED OF-1565 TO USE AS EXAMPLES OF IMPROPER HANDLING OF CONSULATE PAPERWORK, BUT HAD NOT KNOWN OF ANY

ASSOCIATION WITH THE BIRTHDAY PARTY UNTIL THIS DISCUSSION. SUBJECT CLAIMED THAT HE HAD HELD ON TO THE PAPERWORK TO DO AN UNOFFICIAL STUDY OF HOW MANY PEOPLE ACTUALLY RETURN TO CHINA WHEN ISSUED THIS TYPE OF VISA.

10. SUBJECT WAS ASKED TO DISCUSS OTHER CHINESE RELATIONSHIPS AND FRIENDS. HE STATED THAT HE ENJOYED INTERACTING WITH THE CHINESE COMMUNITY, AND THAT HE "WAS NO MORN." RSO REMINDED SUBJECT THAT HIS PERCEPTION OF A

RELATIONSHIP WAS NOT NECESSARILY THE ONE WHICH WOULD

DETERMINE IF HIS ACTIVITIES VIOLATED THE CODE OF ETHICAL CONDUCT. AN INDIVIDUAL WHO GAVE HIM A GIFT OR FAVORS AND LATER RECEIVED A VISA FROM HIM MIGHT CAUSE OTHERS TO QUESTION HIS MOTIVATION, I.E., HE WOULD HAVE ENGAGED IN AN ACTIVITY THAT CREATED THE APPEARANCE THAT HE WAS VIOLATING THE LAW OR ETHICAL STANDARDS. SUBJECT WAS THEN SPECIFICALLY ASKED IF HE HAD EVER HAD A INTIMATE RELATIONSHIP WITH ANYONE TO WHOM HE HAD SUBSEQUENTLY GIVEN A VISA. SUBJECT REMAINED SILENT AND DID NOT RESPOND. HOWEVER, AFTER THE MEETING SUBJECT CAME TO THE RSO OFFICE AND EXPLAINED THAT HE DID NOT RESPOND BECAUSE HE DID NOT WANT TO DISCUSS HIS PERSONAL LIFE IN FRONT OF THE OTHER

SENSITIVE

SENSITIVE

DATE
H
C-7

UNCLASSIFIED



UNCLASSIFIED
DEPARTMENT OF STATE
DIPLOMATIC SECURITY

INCOMING
TELEGRAM

PAGE 02 OF 02 RELATE 14045 04 OF 02 #712322 0750 001745 051002
TWO OFFICERS. HE SAID THAT THERE WAS ONE PERSON WITH WHOM
HE HAD AN INTIMATE RELATIONSHIP, BUT THAT HE WOULD HAVE TO
CHECK CONSULATE RECORDS TO SEE IF SHE ALREADY HAD A VISA
PRIOR TO THEIR ENCOUNTER. HE ALSO STATED HIS DESIRE TO
COOPERATE FULLY AND ANSWER ANY QUESTIONS. ALL THOSE
PRESENT DURING THE EARLIER INTERVIEW WERE LEFT WITH THE
IMPRESSION HIS RESPONSES WERE GUARDED AND MEASURED.

11. THERE ARE A NUMBER OF OUTSTANDING QUESTIONS THAT
COULD BE INVESTIGATED REGARDING SUBJECT'S ACTIVITIES IN
THE CONSULATE. DID THE TWO TRAVEL COMPANIONS PAY FOR THE
VISA? ARE PROPER FEES BEING PAID FOR THE VISAS PROCESSED
FOR LOU? TWO COMPANIES UNDER WHOSE NAMES LOU RECENTLY
ISSUED LETTERS OF INVITATION ARE:
-BRIGHT CITY INTERNATIONAL CORPORATION, 66-09 ALDERTON
STREET, FOREST HILLS, NY 11374, TELEPHONE 718 459 6802
-THE LIGHT CITY & GUANG HUA CORP., 6727 ALDERTON STREET,
FOREST HILLS, NY, 11374-5231, TELEPHONE 718-459-5532

ARE THESE VALID BUSINESSES?

12. THE GENERAL OPINION OF THE CONGEN AND ACG HEAD IS THAT
THE SUBJECT HAS NOT ACCEPTING MONEY FOR SERVICES. THIS
WOULD BE DIFFICULT TO PROVE OR DISPROVE GIVEN THE PAST
LACK OF CONTROLS AND THE HIGH VOLUME OF VISA ACTIONS
(125,000/YR). THE CONGEN HAS INITIATED STRINGENT CONTROLS
WHICH SHOULD ALLEVIATE THE ACCOUNTABILITY PROBLEM.

13. ACTION: REQUEST GUIDANCE REGARDING FURTHER
INVESTIGATION. IT WOULD APPEAR THAT SUBJECT HAS VIOLATED
THE CODE OF ETHICAL CONDUCT REGARDING THE BIRTHDAY PARTY
AND SHOULD, AT A MINIMUM, RECEIVE A LETTER OF REPRIMAND
FROM POST. IS ACTION BY POST ON THE ETHICS ISSUE
SUFFICIENT, OR IS IT A REQUIREMENT THAT POST REPORT THE
INCIDENT TO THE DIA? IF THE DIA IS TO BE NOTIFIED, SHOULD
POST SEND A TELEGRAM SPECIFICALLY ADDRESSING THAT ISSUE OR
WILL OS PASS THIS TELEGRAM ON FOR THEIR REVIEW? NOTE THAT
THIS CASE DOES NOT APPEAR TO BE DIRECTLY RELATED TO VISA
FRAUD INVESTIGATION Y-90-0005 WHICH WILL BE ADDRESSED IN

DEPTEL.

HALLFORD

SENSITIVE

SENSITIVE



UNCLAS DS CHANNEL SECSTATE 102289

Laser1:
ACTION: RSO-2
INFO: //ZERO//

DISSEMINATION: DS
CHARGE: PROG

VZCZCZBJ0112
RR RUEHBJ
DE RUEHC #2289 1372116
ZNR UUUUU ZZH
R 162109Z MAY 96
FM SECSTATE WASHDC
TO AMEMBASSY BEIJING 3952
BT
UNCLAS STATE 102289

DS CHANNEL FOR RSO FROM DS/CR/VF

E.O. 12958: N/A
TAGS: ASEC
SUBJECT: V-96-00066

REF: A. SCHURMAN 5/16/96 E-MAIL B. BEIJING 14059

1. THIS CASE HAS NOT YET BEEN BROUGHT BEFORE AN AUSA FOR PROSECUTION. HOWEVER, HEADQUARTERS HAS CONSULTED WITH AN AUSA TO REQUEST GUIDANCE CONCERNING THE ISSUES RAISED IN REFTEL A. THE MEETING PLANNED FOR FRIDAY SHOULD BE LIMITED STRICTLY TO THE PERSONNEL DECISION POST MANAGEMENT HAS MADE. PARAGRAPH 6 IN REFTEL B APPEARS TO BE THE GROUNDS FOR THE ACTIONS MADE BY POST. THE SUBJECT SHOULD NOT BE QUESTIONED IN ANY WAY ABOUT HIS POSSIBLE CRIMINAL ACTIVITY. ANY QUESTIONS

RELATED TO HIS POSSIBLE CRIMINAL INVOLVEMENT COULD JEOPARDIZE A FUTURE PROSECUTION. HEADQUARTER'S MAIN CONCERN IS THAT THE SUBJECT COULD CLAIM THAT HE WAS COMPELLED TO ANSWER ANY QUESTION ASKED OF HIM DURING THE MEETING.

2. DS/CR/VF SUGGESTS THAT THE RSO PARTAKE IN THE MEETING TO ENSURE THE INTEGRITY OF THE INVESTIGATION. HEADQUARTERS HAS NO PROBLEMS INFORMING THE SUBJECT DURING THE MEETING THAT DS HAS OPENED A CRIMINAL INVESTIGATION LOOKING INTO SOME OF THE ALLEGATIONS.
CHRISTOPHER
BT
#2289
NNNN

UNCLAS DS CHANNEL SECSTATE 102289



UNCLAS DS CHANNEL BEIJING 14370

Case file

Laser1:
ACTION: RSO-2
INFO: //ZERO//

DISSEMINATION: DS
CHARGE: PROG

APPROVED: RSO.DPSCHURMAN
DRAFTED: RSO.DPSCHURMAN
CLEARED: NONE

VZCZCBJ1511
RR RUEHC
DE RUEHBJ #4370 1272344
ZNR UUUUU ZZH
R 062344Z MAY 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 7269
BT
UNCLAS BEIJING 014370

DS CHANNEL

SENSITIVE

FOR DS/CR/VF

E.O. 12958: N/A
TAGS: ASEC
SUBJECT: V-96-00066

REF: A. STATE 92151, B. BEIJING 14059, C. STATE 83229,
D. STATE 83601

1. THE INFORMATION MENTIONED IN REFTEL B, PARAGRAPH 3 WAS PREPARED PRIOR TO THE 1 MAY 96 MEETING BUT WAS NOT GIVEN TO RSO UNTIL 3 MAY 96. THE INFORMATION HAS BEEN FAXED AS REQUESTED.

2. RSO HAS AGAIN CONTACTED ACTING CG TO ENSURE THAT NO ADDITIONAL INVESTIGATION IS OCCURRING. HOWEVER, BASED ON THE 1 MAY 96 DISCUSSION AND AGREEMENTS WITH SUBJECT, ACTING CG HAS FELT COMPELLED TO CONTINUE WITH THE IMPLEMENTATION OF THE MEASURES TO IMPROVE ACCOUNTABILITY AND CONTROLS IN THE CONSULATE. THIS INCLUDES TIGHTENING UP AND FORMALIZING THE REQUIREMENT FOR THOSE GROUPS GIVEN SPECIAL TREATMENT ON VISA REQUESTS. SOME OF THESE MEASURES HAD BEGAN PRIOR TO THE 1 MAY 96 MEETING, AND WERE IN RESPONSE TO THE INQUIRIES/PROBLEMS NOTED IN REFTELS C AND D. IT HAD BECOME OBVIOUS THAT THERE WAS A PROBLEM OF INAPPROPRIATE REFERRALS, EVEN FROM CHINESE GOVERNMENT

UNCLAS DS CHANNEL BEIJING 14370



UNCLAS DS CHANNEL BEIJING 14370

MINISTRIES. THE MINISTRY OF HEALTH WAS ONE OF THE GROUPS AND THEY HAVE BEEN INFORMED THAT THEY CAN NO LONGER SUBMIT VISA REFERRALS UNTIL THEY HAVE CLEARED UP THEIR PROBLEM OF INAPPROPRIATE REFERRALS.

3. IT APPEARS THAT THERE ARE A NUMBER OF SOURCES OF VISA REFERRAL PROBLEMS. IN ONE CASE A SINGLE INAPPROPRIATE PERSON WAS ADDED TO A LIST OF VALID TRAVELERS. IN OTHER CASES THE ENTIRE LIST IS BOGUS. IN THE FORMER CASE, IT IS LIKELY THAT INDIVIDUALS WITHIN THE CHINESE GOVERNMENT REFERRAL GROUP ARE INVOLVED. IN THE LATER CASE, THE REALM OF POSSIBILITIES ALSO INCLUDES TOTALLY BOGUS DOCUMENTS BEING INTRODUCED DIRECTLY INTO THE CONSULATE WITH ASSISTANCE OF A CONSULATE STAFF MEMBER(S). THE MEASURES INSTITUTED AT THE CONSULATE ARE INTENDED TO ADDRESS AN ARRAY PROBLEMS AND WERE NOT DIRECTED AT THE SUBJECT OF V-96-00066.

4. BE ADVISED THAT POST IS STILL CONSIDERING DIRECTING THE SUBJECT'S DEPARTURE FROM POST FOR LOSE OF CONFIDENCE. HIS POSITION AS SUPERVISOR OF THE SECTION AND RATING OFFICER FOR JUNIOR, UNTENURED OFFICER IS FORCING MANAGEMENT OF EVALUATE ALL OPTIONS. HALLFORD
BT
#4370
NNNN

UNCLAS DS CHANNEL BEIJING 14370



UNCLAS DS CHANNEL BEIJING 14122 *cc file*

Laser1:
ACTION: RSO-2
INFO: //ZERO//

DISSEMINATION: DS
CHARGE: PROG

APPROVED: RSO:DPSCHURMAN
DRAFTED: RSO:DPSCHURMAN
CLEARED: NONE

VZCZCBJI014
RR RUEHC
DE RUEHBJ #4122 1241058
ZNR UUUUU ZZH
R 031058Z MAY 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 6995
BT
UNCLAS BEIJING 014122

DS CHANNEL

SENSITIVE

FOR DS/CR/VF

E.O. 12958: N/A
TAGS: ASEC
SUBJECT: V-96-00066

REF: A. STATE 91345, B. BEIJING 14059

1. THE OF-156 FORMS REQUESTED BY REPTTEL A HAVE BEEN FAXED AS REQUESTED. THE FAX INCLUDED SEVERAL MORE RELEVANT APPLICATIONS (SPONSORED BY THE SAME COMPANY) IN ADDITION TO THE ORIGINAL OF-156 FORMS DISCUSSED IN REPTTEL B. THESE WERE GIVEN TO RSO BY THE CONGEN ON MAY 2, 1996.

2. REPTTEL A ALSO REQUESTS INFORMATION ON HOW ALLEGATIONS WERE INITIALLY RECEIVED BY POST MANAGEMENT. SEVERAL EVENTS LED TO THE MEETING ON 1 MAY 1996. THE DCM HOSTED A DINNER ON 11 APRIL 96 FOR THE JUNIOR OFFICERS DURING WHICH THOSE WORKING IN THE CONSULATE VOICED CONCERN ABOUT THE LACK OF CONTROLS FOR VISA FOILS AND FEES. THE SUBJECT WAS ON VACATION AND THE CONGEN WAS ON TDY AT THE TIME. ON THE MORNING OF 12 APRIL 96, THE DCM CALLED IN THE ACS HEAD, WHO WAS ACTING FOR THE CONGEN IN HIS ABSENCE, AND ASKED ABOUT THE CONCERNS. AFTER THE CONGEN'S RETURN, HE ALSO MET WITH THE DCM AND INITIATED HIS EFFORTS TO TIGHTEN UP ACCOUNTABILITY AND PROCEDURES IN THE VISA SECTION. RSO

UNCLAS DS CHANNEL BEIJING 14122



UNCLAS DS CHANNEL SECSTATE 107985

Laser1:
ACTION: RSO-2
INFO: //ZERO//

ms
case file

DISSEMINATION: DS
CHARGE: PROG

VZCZCBJO299
OO RUEHBJ
DE RUEHC #7985 1451841
ZNR UUUUU ZZH
O 241841Z MAY 96
FM SECSTATE WASHDC
TO AMEMBASSY BEIJING IMMEDIATE 4157
BT
UNCLAS STATE 107985

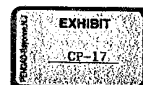
DS CHANNEL SENSITIVE NOFORN

E.O. 12958: N/A
TAGS: ASEC
SUBJECT: V-96-00066
REF: (A) 96 BEIJING 16965

1. rso should closely supervise the subject while he retrieves personal items from his office. all items being removed by the subject should be reviewed and if they are deemed to be of possible evidentiary value, should be seized. a receipt for the item should be provided to the subject. after the subject has completed his retrieval and has vacated the office, rso should conduct a thorough search for evidence. possible items include visa applications, personal letters from visa applicants/recipients to the subject, ledgers, addresses, telephone numbers, and items that may have been provided to the subject as payments or gratuities.

2. please advise the results of your investigation.
CHRISTOPHER
BT
#7985
NNNN

UNCLAS DS CHANNEL SECSTATE 107985



CP
case file.

InterOffice Memo

To: NIV Staff
From: Dan Piccuta, A/Cons
CC: Arturo Macias, CG
Don Schurman, RSO
Date: May 3, 1996
Subject: Ethical Conduct

The reputation of our Embassy in general and of the visa section in particular is and should be one of our major concerns. The general public must have faith in the integrity of our visa issuing process. That faith can be maintained only if they perceive us to be handling visa cases in a fair and evenhanded manner. Even the appearance of impropriety on our part can damage our reputation. Each member of our staff has an important role in avoiding conduct that might create the appearance of impropriety.

Specific types of conduct to be avoided are described below:

- An employee working in the visa section may not receive gifts of any kind from individuals or companies who have visa business with the Embassy. This includes invitations for lunch or dinner or other social activities when the host is a visa applicant or represents visa applicants or has discussed visa applications with a member of the staff. Any gift or invitation should be referred to the CG for his specific approval.
- Visa section employees should not discuss visa cases other than to confirm or deny that a visa was issued or to provide information about procedures to apply, or re-apply.
- Passports for visa processing may only be taken through windows 0 or 2 (prescreener or waiban), and only by the employee working the window that day. Only the CG has the authority to accept passports anywhere other than the windows.
- Passports with visas are to be returned to the public or to waibans at the visa windows only, and only by the member of team 1 who has that responsibility for the day. Only the Consul General may return passports outside the windows.

We appreciate the work you perform every day, often in pressing circumstances, and thank you for your contribution. If you have any questions about the conduct we expect, please feel free to discuss it. It is important that we all understand and abide by these guidelines.





Embassy of the United States of America

May 8, 1996
Beijing, China

SENSITIVE BUT UNCLASSIFIED
MEMORANDUM

TO: Chargé d'Affaires, a.i. - Scott S. Hallford - Eyes Only

FROM: ADM/MC -

SUBJECT: Directed Departure - Options and Recommendations

Don Schurman, Dan Piccuta and I have had two discussions this week with regard to Charles Parish and the question of whether the Chief of Mission should request his directed departure from the Director General of the Foreign Service. After you read this memorandum, I suggest that you convene a meeting with the three of us to discuss the case and the options related to whether directed departure is in order and if so, how to proceed down that path.

For your background information, attached are the applicable FAM regulations dealing with "Directed Departure." Key portions of the FAM are summarized below. Full text of the regulations, with key portions highlighted are attached.

3 FAM 2443.2 - Involuntary Curtailment - (COM Request to DG)

"Should the chief of mission lose confidence that an employee's continued assignment serves the best interests of the Foreign Service or the post, the chief of mission may ask the Director General to immediately curtail the employee's tour of duty."

3 FAM 2444 - Procedures (for Curtailment Request)

a. In requesting to the Director General (through DIRGEN Channel) the employee's curtailment, the COM's message must:

- "Include background information on any incidents which support the request."
- "Confirm that the employee has been informed of the request and the reasons therefore; and"
- "Confirm that the employee has been advised of his/her right to submit separately any pertinent comments."

b. "Except in cases of serious misconduct, criminal activities, or actions which have serious security implications, a chief of mission may offer the employee the option of submitting a request for immediate curtailment to the Department."



c. In the case the employee opts to request a curtailment, the COM then needs to use the DIRGEN channel to "inform the Director General of the COM's support for the employee's request and to explain fully the circumstance which, in the COM's judgment, justify the immediate curtailment."

d. Under exceptional circumstances when the situation warrants it, the COM can direct post management to issue orders "effectuating travel of the employee to a nearby country or the Department. A prompt and full report of the circumstances must be made to the Director General in the DIRGEN channel." (Note: I wouldn't think this would apply in this case.)

e. If the curtailment is related to a "criminal activity," then "all of the details regarding the criminal activity must be reported to the Inspector General immediately. Post should cable the information via OIG Channel-State." (Note: at this time, although DS has "opened a criminal investigation," I do not believe there is sufficient evidence at post to characterize Charles' behavior as "criminal activity" so as to require an OIG Channel message. End Note)

Also attached are:

1. A chronology of events from the April 11 JO dinner at your Residence through May 3, 1996.
2. A bullet - point listing of:
 - A. Activities Giving Rise to Appearance of Impropriety.
 - B. Waiban (FAO) and Travel Agency Cases Issued under Questionable Circumstances.
 - C. Issuance of Previously Refused Cases.

Recommendation:

Don, Dan and I are in agreement that Charles Parish should leave Beijing as soon as possible, due to the number of instances where he has, at a minimum, exercised poor judgment, failed to follow established guidelines for visa issuance, and has set a poor example for the officers under his direct supervision and for the Chinese contract employees. His continued presence in Beijing would undermine the integrity of the visa issuance process and encourage potentially fraudulent acts, particularly on the part of the public and the Chinese national staff.



Voluntary Request for Curtailment Vs. Directed Departure - We believe, on balance, that Charles should be given the option of requesting a curtailment and that the COM should support it through a DIRGEN Channel message. Should he resist, however, then the COM should request a directed departure from the DG per the 3 FAM guidelines.

Please let us know when you would like to meet with us on this matter.

Clearances:

Consular -

RSO -



Activities Giving Rise to Appearance of Impropriety

- Visa(s) issued to person(s) with whom CMP had sexual relations.
- China Swan Travel Agency official told Conoff he was "not receiving proper cooperation." Chinese NIV staff member alleges China Swan, after entertaining CMP and other staff members, routinely requested staff members place visa applications "on CMP's desk and nowhere else" apparently to ensure issuance.
- Joint "birthday party" hosted by Real Estate Sales firm at whose request visas issued.
- Expensive pens, watches, tie(s), clock(s) and other gifts. Opinion of all conoffs, numerous officers of other embassy sections, and (it seems) many Chinese staff that attractive female applicants are given preference and cases favorably considered by CMP including issuance over prior refusal.
- Applications accepted by CMP and/or Ms. Yang and numerous applicants interviewed in Er Ban office despite CG ban on such activities.
- Interviewing officers told: "I'll get my visa from Charles Parish" by several applicants.
- Report of dinner with Chinese Consular officer in Los Angeles seeking F-1 visa for daughter in violation of visa law and regulations. Appearance to PRC officials that visa that cannot be issued can be obtained through CMP.
- Visa issued to staff member (Ms. Yang) with no advance notice to CG. Chinese staff believe ticket may have been issued at discount not available to general public, by China Express Int'l Travel Agency. Another Chinese woman included in this group of 3.
- April 1996 issue of Beijing JiShi Magazine includes an article on visa application at US Embassy with interviews of applicants from NIV queue. Report concludes "if you get (CMP), the visa is easy to obtain."
- Many dozen OF-156 forms for issued visas kept in CMP office, in private file cabinet or on Yang's desktop. Apparently some kind of "tracking" of persons issued by CMP but outside of mandated filing of OF-156s issued each day. OF-156 forms for issued visas in cases on which INS has requested additional information cannot be located in Consular Section's files on a weekly, if not more often, basis.
- Issued B-1 to an actress after junior conoff had researched FAM, informed by CMP and interested USIS officer, that a P-1 was appropriate and could not be issued without an approved petition. CMP stated reason for issuing in clear violation of FAM: "The system is broken, sometimes we have to take things into our own hands."
- Dancing lessons for Chinese staff provided by FESCO to visa staff. Computer training for Chinese staff arranged without proper, prior obligation of USG funds.
- Issued 5 B-2 tourist visas to PAP officials who, according to US DAO sources, "arrived in US with suitcases full of cash." OF-156 had no indication of reason issued. Case brought to Consular attention by DAO Brad Gertes noting that USG Military Intel had questioned issuance of those visas.



Waiban (FAO) and Travel Agency cases issued under questionable circumstances.

- Batches 828/335; 829/335; 831/335 total of approximately 26 applicants from various provinces including a large number of Fujianese, issued 4 Dec 95, electronically adjudicated by CMP. Issuance occurred after a Conoff noted that several passports appeared to be photostubbed or altered. Passports did not have proper exit cards as well. Group was requested but failed to provide Chinese ID cards verifying identities. Cases submitted by to CMP directly by a Taiwan national who claimed to be affiliated with CP&TITS Travel Agency; groups were "turned around" (denied entry) by INS on arrival due to clear intent to work. Subsequent telephone investigation revealed that the person who delivered the cases to the Consular Section was not employed by CP&TITS travel agency. Case involved alleged short term English language course at LCP Int'l in Irvine, CA. The group appears to have been broken into several small groups sent on different airlines.
- Batch 843/011 total of Fujianese traveling to WashDC for training. OF-156 Visa Applications show no indication of officer action. Electronically adjudicated 11 Jan 96 by CMP. OF-156. Group delivered to Consular Section by *China Swan Travel Agency* (further discussed below).
- Batch 594/026. Group turned around by INS for clear work intent. INS reports this group of Fujianese, and another 10-20 such groups, arriving New York to an address opposite the Fukien American Association. Batch electronically adjudicated by CMP.
- *No indication of namecheck* on this group (visas were issued over deferred namecheck), which would be a violation of law.
- JIANG Liuping. Issued Dec 95 for LCP (see above) English course and "visit trade center." Dates for "trade activities" in USA - Christmas eve and Christmas day.
- ✓ Li Xiaohun. Application submitted for B-1 visa via Waiban channel and refused 214b. Application re-submitted as F-1 (dates unclear); issued by CMP.
- ✓ Batch 686/008 Zhu Xiaohua and Liu Qing. Refused as 214b Dec 12, 1995. Husband and wife reapplied and issued by CMP. Date of application not shown on OF-156 indicates application probably NOT received at front window where date is stamped on receipt.
- ✓ Batch 658/345 issued Dec 11, 1995. Yu hong and 15-year old son Wang Fenju issued B-1 to purchase \$32,000 single family home ("a few blocks from Shu Duan Restaurant") in Niagara Falls, NY.

Issuance of Previously Refused Cases

- LI Hui. Refused twice in Beijing on 1/23 and 2/13/96 for clear work intent based upon correspondence and reputation of Chinese singer Wei Wei (and AmCiti husband, who have themselves previously obtained NIV visa for Wei Wei in order for Wei Wei to now adjust in the US). Visa issued 2/23 by CMP. Applicant was turned around by INS for clear work intent.
- XU Wuping. Jiangsu applicant issued 12/15/95 despite 12/4/95 Shanghai refusal; no check with Shanghai. Numerous other similar cases of issuance over prior refusal with no Visas Alpha inquiry made.
- YANG Yuejin. Seven years old. Refused twice, 7/18/95 and 7/6/95. Issued F-1 (batch 700/208) by CMP on 7/27/95.



Charles

- This is not an easy conversation to begin
- I returned from the USA on Thursday evening and among the first things brought to my attention on Friday morning was information regarding your conduct over the past several months which has given rise to the appearance of impropriety in the issuance of visas in Beijing.
- I understand you met with the Consul General and the RSO on May 1 to discuss some of the circumstances of most concern.
- I understand that a firm which has and continues to request visas arranged and hosted a birthday party clearly for you in January. I know that embassy officers and the consular section employees are entertained by contacts, including those who sometimes later submit visa applications. However, there is a fundamental difference between accepting an invitation for the section or for a few officers to attend a small dinner and participating in a function involving dozens of persons who were invited specifically to your birthday party.
- As the RSO explained to you during your May 1 meeting with him, your action constituted a violation of the Department's Ethics Code. Your action has seriously undercut the confidence of the public and of your fellow embassy officers in the integrity of our visa adjudication process.
- I understand that in April you traveled to the USA for several weeks in the company of two Chinese nationals, one a DSB employee who works in the NIV unit, the other a female friend. This trip creates an appearance of impropriety so strong as to make me seriously question your judgment vis-à-vis appropriate behavior for a US diplomat assigned to China.



- The Foreign Affairs Manual gives us various options to handle situations such as these. You may be aware that an employee may request immediate curtailment at any time for personal reasons. I would like to recommend you do so now.
- I will, through a closely-held channel, communicate to the Director General my support of your request for immediate curtailment, describing my concerns as I just reviewed them with you, and informing the DG that, as the FAM provides, "I have determined that your curtailment would be in the best interests of the post and the foreign service." You can return to the Department and make arrangements there for your future.
- I want to offer you the chance to request curtailment not only because the FAM permits it, but because I believe that course of action, curtailment for personal reasons, would have the least negative impact on your career. However, you must know that if you do not choose to curtail, you leave me with no choice but to notify the Director General that I have "lost confidence that your continued assignment in Beijing serves the best interests of the Foreign Service or the post." I will ask that the DG immediately curtail your tour.
- I am afraid I must ask you for your decision now, so that I may send my message to the DG either in support of your request for curtailment or notifying the DG that I have lost confidence.
- I will ask that the AdminMC prepare a cable, for your clearance, requesting immediate curtailment for personal reasons. This cable must be sent today. I will also direct the AdminMC to arrange for you to pack-out your household effects within the week. Of course you may take administrative leave effective immediately to make arrangements for your departure.



- I have been made aware of a substantial number of cases in which, it appears, you accepted visa applications directly from applicants, travel agents, or companies outside of the standard NIV unit operating procedure. That is to say you have given the appearance, by accepting applications presented to you personally, that there is a back door into our NIV unit and that you are that back door. That you have continued to do so despite being specifically counseled by the Consul General nearly a year ago that such practices were inappropriate and specifically told to stop raises not only questions about your judgment but about your suitability to remain in charge of the NIV unit.
- Moreover, even members of the Chinese staff have informed us that certain agencies have instructed them to put visa applications from their groups on your desk and only on your desk rather than process the applications in a routine manner. The inference that travel agencies have some special arrangement with you is unavoidable. Regardless of whether or not you actually have some understanding with these agencies, the appearance of impropriety that you have allowed to arise surrounding your relationship with them is inexcusable.
- The sum of these incidents and practices, and a variety of others which individually might be considered trivial, is that the integrity of the entire non-immigrant visa process in Beijing has been compromised. Your judgment in allowing and in fact encouraging this to develop makes me and the senior members of my staff question whether you can be allowed to continue to function as the chief of the visa unit with the responsibility for directing the work of four junior officers as well as a large number of DSB employees.
- Charles, I wish there were a way to avoid taking drastic action. However, I have a responsibility to see to it that the integrity of the mission remains above suspicion. I also have a responsibility to our junior officers. I don't see how I can leave them under your supervision given the circumstances.



DEPARTMENT OF STATE
DIPLOMATIC SECURITY

TELEGRAM

D105
H

PAGE 01 BEIJIN 16965 231052Z 8994 017361 051093
ACTION 05-00
INFO 055-01 VF-01 CR-01 003 A2 EB
INFO LOG-00 QASY-00 TEDE-00 ADS-00 ASDS-01 DSCC-00 001W
-----3C4F54 231052Z 38

R 231050Z MAY 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 9944

UNCLAS E F T O BEIJING 016965

OS CHANNEL

SENSITIVE

FOR OS CR VF

E O 12958: N/A

TAGS: ASEC

SUBJECT: V-98-00066

1. POST HAS MET WITH SUBJECT TO DISCUSS CONCERNS AND HE HAS DECIDED TO REQUEST IMMEDIATE CURTAILMENT. POST HAS CONCURRED AND SUBJECT WILL BE PACKING OUT ON 27 MAY 96

2. AFTER THE SUBJECT'S DECISION TO CURTAIL, THE LOCK COMBINATIONS ON HIS OFFICE WERE CHANGED AND HE WAS INFORMED THAT ONLY ITEMS WHICH WERE CLEARLY PERSONAL COULD BE REMOVED. WITH HIS IMMINENT DEPARTURE AND THE NEED FOR SUBJECT TO TAKE PERSONAL ITEMS TO HIS APARTMENT FOR PACK OUT, RSO WOULD LIKE GUIDANCE ON HOW RESTRICTIVE HE

CAN SHOULD BE ON LIMITING REMOVAL OF ITEMS FROM THE OFFICE. ALLOWING REMOVAL OF ANYTHING FROM THE OFFICE CAUSES SOME CONCERN. TODAY, FOR EXAMPLE, SUBJECT PILED UP WHAT WAS JUDGED TO BE PERSONAL BOOKS, PICKED UP A BAG, AND STARTED TO LOAD IN THE BOOK. ON INSPECTION OF THE BAG, RSO FOUND A BOX CONTAINING A PAIR OF WHAT APPEARED TO BE EXPENSIVE CUFF LINKS AND A TIE TACK. SUBJECT STATED THAT THEY WERE JUST HIS CUFF LINKS. ON INSPECTION, THE BOX WAS FOUND TO CONTAIN THE CARD OF THE SAME INDIVIDUAL WHO GAVE THE SUBJECT THE JANUARY 96 BIRTHDAY PARTY. THE OFFICE ALSO CONTAINS ITEMS OF MAIL FROM WHAT APPEARS TO BE INDIVIDUALS WHO RECEIVED VISAS FROM HIM.

3. THE PRIMARY QUESTION AT THIS POINT IS WHETHER OR NOT THERE WILL BE AN INVESTIGATION INVOLVING THE SUBJECT'S OFFICE AND, IF SO, TO WHAT DEGREE DOES THE OFFICE AND ITS CONTENTS NEED TO BE SEALED. CONSULAR PERSONNEL NEED ACCESS TO SOME OF THE MATERIALS IN THE OFFICE AND WOULD VERY MUCH LIKE TO USE THE SPACE DUE TO THEIR CROWDED CONDITIONS.

4. ACTION. REQUEST GUIDANCE REGARDING SUBJECT'S OFFICE AND ITS CONTENTS

SASSER

UNCLASSIFIED



UNCLAS E F T O DS CHANNEL BEIJING 19373

Laser1:
ACTION: RSO-2
INFO: //ZERO//

DISSEMINATION: DS
CHARGE: PROG

APPROVED: RSO:DPSCHURMAN
DRAFTED: RSO:DPSCHURMAN
CLEARED: NONE

VZCZCZCJ1091
RR RUEHC
DE RUEHBJ #9373/01 1631110
ZNY EEEEE ZZH
R 111110Z JUN 96
FM AMEMBASSY BEIJING
TO SECSTATE WASHDC 2409
BT
UNCLAS E F T O SECTION 01 OF 02 BEIJING 019373

DS CHANNEL

SENSITIVE

FOR DS/CR/VF

E.O.12958: N/A
TAGS: ASEC
SUBJECT: V-96-C0056

REF: A. STATE 112490, B. PHONCON KRAUSS/SCHURMAN

1. THE OFFICE VACATED BY THE SUBJECT CONTAINS HUNDREDS OF FILES WHICH MAY BE RELEVANT TO THE CASE. THE FOLLOWING INFORMATION, REGARDING GEORGE QIAO, HAS BEEN EXTRACTED FROM THOSE FILES.

2. INTRO FOR QIAO: THERE IS A THREE PAGE FAX SENT ON 2/8/95 TO EMBASSY BEIJING ARTURO MACIAS (CONGEN) BY LIU, XIAOHE, PRESIDENT, BEIJING JIN TONG INDUSTRIAL GROUP CORP., BEIJING HOTEL, BEIJING. THE FIRST PAGE CONFIRMS A MEETING BETWEEN GEORGE QIAO, THE OWNER OF GUANG HUA INTERNATIONAL ENTERPRISES, AND MACIAS. THE SECOND PAGE IS A RE-TRANSMISSION OF A FAX FROM BARBARA PEACOCK, ITT COMMUNICATION DEVELOPMENT CORPORATION, TO GEORGE QIAO ADVISING HIM THAT LETTERS OF INVITATION AND FINANCIAL SUPPORT HAD BEEN SENT TO BEIJING JIN TONG INDUSTRIAL CORP. THE THIRD PAGE IS A LETTER FROM LEE W. ARBERG, EXECUTIVE VICE PRESIDENT, DIRECTOR OF SALES AND MARKETING, ITT COMMUNITY DEVELOPMENT CORPORATION, ONE CORPORATE DRIVE,

UNCLAS E F T O DS CHANNEL BEIJING 19373



UNCLAS E F T O DS CHANNEL BEIJING 19373

PALM COAST, FLORIDA 32151-0001, TELEPHONE 904-445-2606, TO ARTURO MACIAS, VISA SECTION, EMBASSY BEIJING, INTRODUCING GEORGE QIAO AS THE OWNER OF GUANG HUA INTERNATIONAL ENTERPRISES, INC. HE STATES THAT QIAO IS AN INDEPENDENT LICENSED REAL ESTATE BROKER REPRESENTING PROPERTY OFFERED BY ITT.

2. THERE ARE THREE BUSINESS CARDS ATTACHED TO THE FAXES WHICH APPEAR TO HAVE BEEN LEFT DURING THE MEETING SCHEDULED BY THE ABOVE FAKES. ONE IS FOR GEORGE QIAO, PRESIDENT, OF GUANG HUA INTERNATIONAL ENTERPRISES, INC. A SECOND CARD IDENTIFIES STEVE QIAO AS VICE PRESIDENT OF GUANG HUA INTERNATIONAL ENTERPRISES, INC. THE THIRD CARD IS FOR JUDY WANG, PRESIDENT, CHINA HUALIAN CHREDC REAL ESTATE BEIJING DEVELOPMENT CORP., BEIJING JIN TONG INDUSTRIAL GROUP CORP.

3. THERE ARE SEVERAL FILES WHICH CONTAIN OF-156 FORMS, APPROVED BY SUBJECT, AND LETTERS OF INVITATION AND FINANCIAL SUPPORT FROM LEE ARBERG. SOME OF THE LETTERS WERE SENT CARE OF BEIJING JIN TONG INDUSTRIAL GROUP CORP. HOWEVER, THERE WERE ALSO LETTERS DATED AS EARLY AS 10/20/94 USING A DIFFERENT COMPANY (SILO) AS THE CONTACT POINT. NUMEROUS INDIVIDUAL WERE LATER INVITED BY SILO. SILO MAY BE THE SUBJECT OF A LATER TELEGRAM AFTER THE DATA IS CORRELATED. ALSO SEE LIU, JIAN IN PARAGRAPH 4.

4. ON 27 MAR 95, GEORGE QIAO SENT A FAX TO SUBJECT REQUESTING ASSISTANCE IN OBTAINING L1 VISAS FOR <WANG> LIN, <LIU> ZENGFU, <WANG> JIESHI, <LIANG> WENSHENG, AND <LIU> JIAN. THE FILES CONTAINED THE FOLLOWING INFORMATION.

-WANG, LIN; DOB 11 JUL 61, PPT NO. 140897865. THE COPY OF THE L1 PETITION SHOWS PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 22 FEB 95, AND NUMBER EAC-95-101-50033. THE FILE CONTAINS A LETTER SIGNED BY QIAO, DATED 22 MAR 95 STATING GUANG HUA INTERNATIONAL ENTERPRISES IS A WHOLLY OWNED AMERICAN SUBSIDIARY OF CHINA AFFILIATE ORGANIZATION SYNERGY DISPLAY & EXHIBITION CO, AND HE SEEKS THE TRANSFER OF MR. WANG TO ACT AS A MANAGER OF THE NEW YORK OFFICE. ANOTHER FILE CONTAINS AN OF-156 DATED 20 APRIL 95 INDICATING THAT WANG'S SON WANG, XIAOTIAN; DOB 6 OCT 88, PPT NUMBER 140894552 WAS ISSUED AN L-2 VISA BY SUBJECT.

-LIU, ZENGFU; DOB 14 DEC 58, PPT NO. 1740138. THE COPY OF THE L1 PETITION SHOWS PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 22 FEB 95, AND NUMBER EAC-95-101-50044. THE FILE CONTAINS A LETTER SIGNED BY QIAO, DATED 22 MAR 95 STATING GUANG HUA INTERNATIONAL ENTERPRISES IS A WHOLLY OWNED AMERICAN SUBSIDIARY OF CHINA AFFILIATE

UNCLAS E F T O DS CHANNEL BEIJING 19373



UNCLAS E F T O DS CHANNEL BEIJING 19373

ORGANIZATION BEIJING FAZHAN MATERIALS TRADE COMPANY, AND HE SEEKS THE TRANSFER OF MR. LIU TO ACT AS A MANAGER OF THE NEW YORK OFFICE. ANOTHER FILE CONTAINS AN OF-156 16 APR 95 INDICATING THE LIU'S WIFE MA, HONGLIAN, DOB 14 SEPT 66, PPT NUMBER 140969298 WAS ISSUED AN L-2 VISA BY SUBJECT.

-WANG, JIE SHI; DOB 28 JUN 52, PPT 769104. THE COPY OF THE L1 PETITION SHOWS PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 22 FEB 95, AND NUMBER EAC-95-101-50070. THE FILE CONTAINS A LETTER FROM GEORGE QIAO, DATED 22 MAR 95, STATING THAT GUANG HUA INTERNATIONAL ENTERPRISES IS A WHOLLY OWNED AMERICAN SUBSIDIARY OF CHINA AFFILIATE ORGANIZATION BEIJING FAZHAN MATERIALS TRADE COMPANY AND THAT WANG WAS BEING TRANSFER TO BE A MANAGER. ANOTHER FILE CONTAINS AN OF-156 INDICATING THE WANG'S WIFE ZHAO, XIAOFEN DOB 5 AUG 54, PPT NUMBER 141390125 HAS ISSUED AN L-2 VISA BY SUBJECT.

-LIANG, WENSHENG; DOB 14 JUL 68. PPT 140410935. A CARD WITH THE FILE IDENTIFIES HIM AS WINSON LIANG, MANAGER, BEIJING SANSTONE TRADING CO., LTD, DACHANG WONDER INDUSTRY & TRADING CORP. THE COPY OF THE L1 PETITION SHOWS PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 22 FEB 95, AND NUMBER EAC-95-101-50059. THE FILE CONTAINS A LETTER FROM GEORGE QIAO, DATED 22 MAR 95, STATING THAT GUANG HUA INTERNATIONAL ENTERPRISES IS A WHOLLY OWNED AMERICAN SUBSIDIARY OF CHINA AFFILIATE ORGANIZATION BEIJING SANSTONE TRADE CO., LTD AND THAT MR. LIANG WAS BEING TRANSFER TO BE A MANAGER OF THE NEW YORK OFFICE.

-LIU, JIAN; DOB 30 JAN 71, PPT NUMBER 141397955. THE COPY OF THE L1 PETITION SHOWS PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 5 JUN 95, AND NUMBER EAC-95-101-50039. NO LETTER FROM QIAO HAS IN THE FILE BUT THE OF-156 FORM SUBMITTED BY MS. LIU INDICATED EMPLOYER AS SILO REAL ESTATE CO., LTD.

5. REFTEL A ASKS FOR INFORMATION ON A SUNTONE, THE PARENT COMPANY FOR MS. ZOU. THE FILE FOR MS. ZOU CONTAINED A COPY OF THE L1 PETITION SHOWING PETITIONER AS GUANG HUA INTL ENTERPRISE, RECEIPT DATE 28 FEB 95, AND NUMBER EAC-95-101-51062. IT ALSO CONTAINED AN OF-156 WHICH INDICATES: ZOU, XUE; DOB 8 JAN 73, PPT 140040071, AND PRESENT EMPLOYER AS BEIJING LIGHT CITY CO., LTD. THERE WAS NO MENTION OF SUNTONE. HOWEVER, THE ADDRESS INFORMATION PASSED IN REF B APPEARS TO MATCH WITH THE COMPANY INFORMATION LISTED FOR BEIJING SANSTONE TRADE CO., THE PARENT COMPANY OF THE INDIVIDUAL PARAGRAPH 4 NAMED LIANG, WENSHENG. RSO LOCAL ASSISTANT CALLED SANSTONE ON 6/11/96 TO ASK FIRST, DOES YOUR COMPANY HAVE A WHOLLY

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OWNED US BRANCH OFFICE AND, IF SO, WHAT EMPLOYEES WERE THERE. HE TALKED TO THREE DIFFERENT EMPLOYEES AND NONE WERE AWARE OF A US BRANCH. HOWEVER, THEY INDICATED THAT LIANG, WENSHENG, WHO WAS IN TOWN BUT WHO, AT THE MOMENT, HAS AWAY FROM THE OFFICE, FREQUENTLY TRAVELED TO THE US.

6. ACTION REQUEST: DOES VF DESIRE RSO TO CALL IN LIANG, WENSHENG FOR AN INTERVIEW REGARDING THE RELATIONSHIP BETWEEN SANSTONE AND GUANG HUA?

7. REGARDING OTHER QUESTIONS POSED BY REFTTEL A:

-13.B. INITIALLY OTHER CONSULAR OFFICERS INTERVIEWED AND HANDLED REQUESTS FOR B1 VISAS. ULTIMATELY, ALL APPROVED VISAS WERE HANDLED BY THE SUBJECT. IN SEVERAL CASES, OTHER OFFICERS REJECTED APPLICANTS WHO THEN RESUBMITTED AND HAD THEIR VISAS APPROVED BY SUBJECT.

-13.C. AGAIN, IN THE EARLY STAGES OF THE PROGRAM, SOME APPLICANTS WERE INTERVIEWED. CONGEN IS CERTAIN THAT FEW OF THE LATER APPLICANTS HAD INTERVIEWS. THE SUBJECT'S OFFICE ASSISTANT HAS SEEN ON NUMEROUS OCCASIONS MEETING COURIERS AND TAKING THE APPLICATION PACKETS DIRECTLY TO THE SUBJECT. THE CONGEN HAS DOCUMENTED COUNSELING THE SUBJECT ON THIS ISSUE.

-13.D. THE CONGEN HAS AWARE OF GUANG HUA BECAUSE OF THE ORIGINAL MEETINGS. HE DID NOT RECALL SUNTONE. OTHER MEMBERS VISA STAFF ARE TOO NEW TO BE AWARE OF HISTORICAL INFORMATION. YOU MAY WISH TO ASK THE OLD STAFF MEMBERS CURRENTLY IN THE DC AREA.

-13.E. TO OFFICIALLY DETERMINE THE BONAFIDES OF A BUSINESS, FCS CAN TASK DUNN AND BRADSTREET TO INVESTIGATE THE COMPANY. THE COST IS 150 USD PER COMPANY. AS INDICATED ABOVE, RSO CAN USE THE LOCAL ASSISTANT TO CALL COMPANIES, OR TO POSSIBLY VISIT THE LOCAL ADDRESS AND ATTEMPT TO GAIN INFORMATION THROUGH QUESTIONING EMPLOYEES AND A PHYSICAL ASSESSMENT OF THE FACILITIES.

SASSER
BT
#9373
NNNN

UNCLAS E F T O DS CHANNEL BEIJING 19373



GUANG HUA INTERNATIONAL ENTERPRISES INC.

One World Trade Center, Suite 4643, New York, NY 10048
Tel: (212) 775-1684 Fax: (212) 775-1713

American Embassy
Xiu Shui Dongjie #2,
Beijing 100600, P. R. China

Dear Mr. Charles Parish,

I would like to take this opportunity to express my heartfelt thanks to you on behalf of the Guang Hua International Enterprises Inc., representing ITT CDC Corporation. We deeply appreciated your effort in visas assistance, so that 5.6 million dollars investment volume from the Chinese investors could be achieved during the past few months in the ITT Palm Coast

The Guang Hua International Enterprises Inc. thusfar is rapidly developing and expending its business both domestically in the United States and also internationally in Mainland China, Hong Kong, and Taiwan. Therefore, we, the Guang Hua International Enterprises Inc., representing ITT CDC, is expending and establishing a new office in the most prestigious business location - the World Trade Center in New York, while we still keep our flushing New York Office. Please note that we need urgently to have the following 3 business ladies to work for us in the US Office. We will use them for the detailed functions described as the following:

Xue Feng XU

will be the manager of the Accounting Department, will have the duties for the overall operation of the dept. set up company's products and market development plans and strategies according to the accounting practices, budget management.

Yan WU

will be the General Manager, will have responsibilities for overseeing the overall operation of US subsidiaries, engaging in business transactions, set up company's new products' and market development plans and strategies, personnel administration, etc.

Wen Xiu JIAN

will be the manager of the Human Resources Department, will have the responsibility for the operation of the Department of Personnel Administration and assist the General Manager for the overall operation of the department.

Please see the attached Organization Chart as a reference. Thank you for your kind cooperation and we wish you a very merry Christmas. My special Christmas card to you is on the way.

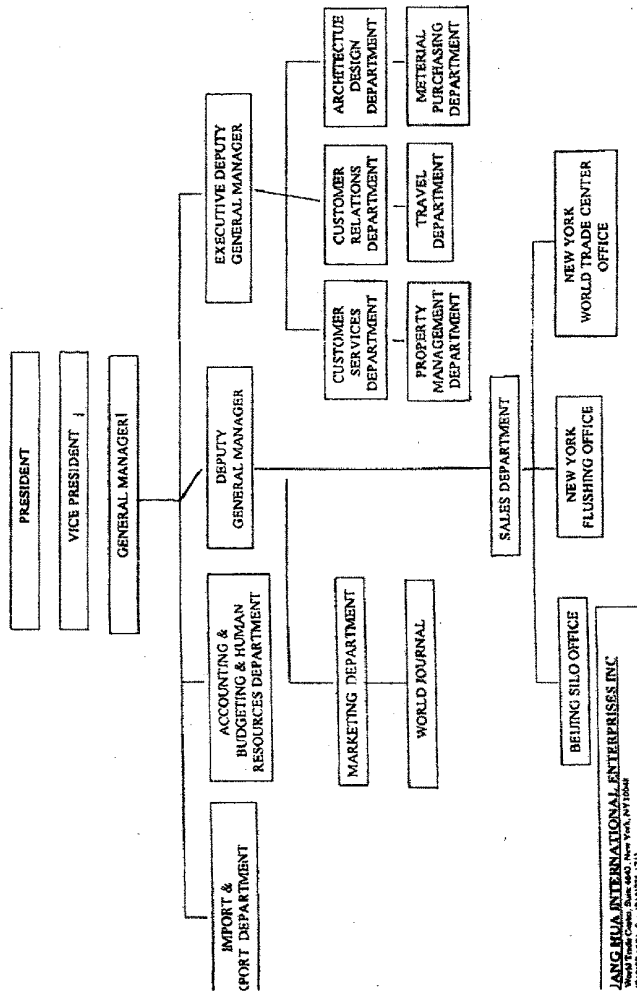
My E-Mail code is as following: gqiao@Superprism.net. Please kindly notify me your E-Mail code so that I will immediately set up E-Mail communications with you.

Best Regards,



George Qiao





Office of Inspector General

Information of Record Form

Case No: 98-039

Date: 3/18/98

DON SCHURMAN
Former RSO
American Embassy
Beijing, China

SCHURMAN, Diplomatic Security, 2121 Virginia Ave., N.W., Washington, D.C. 20037, was advised of the identity of Natalie C. Murphy, as a Special Agent with the Office of Inspector General, U.S. Department of State. SCHURMAN was advised that he was being interviewed regarding his knowledge of Charles Parish, while they were both stationed at the American Embassy Beijing, China. SCHURMAN consented to be interviewed and provided substantially the following information:

SCHURMAN stated that he never spoke to the woman who shared the birthday party with Parish. According to SCHURMAN, Post just wanted to eliminate the problem that Parish presented. SCHURMAN said that it appeared both the Consular General (CG) and the American Citizen Services Chief (ACS) that Parish was not doing anything illegal, he just wanted to be a "big man". According to SCHURMAN, the CG and the ACS also did not think that Parish was providing sex for visas.

SCHURMAN stated that Parish kept very detailed accounts of the visas he issued, when Parish was asked why he did this, he said because he was trying to streamline the system and trying to keep track of some people in the U.S.

SCHURMAN said that there were no allegations from any applicants that Parish was receiving gifts or sex for visas. According to SCHURMAN, Parish's spouse was never at Post. SCHURMAN said that he did not know that Parish was married.

When asked how he left Post, SCHURMAN stated that Parish was brought into the Deputy Chief of Mission's office, Dan Picuda, and it was suggested that he accept a curtailment or face a loss of confidence cable. According to SCHURMAN, Parish did not argue, and accepted the curtailment. SCHURMAN stated that they based their decision on Parish giving the "appearance of issuing visas for whatever..."

SCHURMAN stated that he did not have enough help at Post to investigate this matter properly. SCHURMAN further stated that the Chinese police were very uncooperative to any issue at the Embassy. SCHURMAN said that the Chinese mentality was that as long as it did not involve official Chinese documents, they did not care.

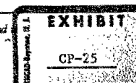
Interviewed On: 2/27/98

At: Burlington, VT

Date Drafted: 3/3/98

By: SA Natalie C. Murphy *ncm*

This document contains neither recommendations nor conclusions of the OIG. It is the property of the OIG and



Memorandum

DATE: February 23, 1999
 TO: Office of Inspector General
 FROM: Regional Security Office, Beijing
 RE: Former Consular Officer - Charles Parish

In reference you OIG telegram State 084902 dated May 12, 1998


The enclosed personal papers for Charles Parish were discovered in the Regional Security Office, American Embassy, Beijing when cleaning out a storage closet. A review of available case papers in the RSO office revealed reference telegram. Following instructions contained in reference telegram, this box of personal papers is being forwarded to your office.

Please advise if this office can be of further assistance.

enclosures: as stated

Forwarded to:

Department of State
 SA-39, Room 910
 Office of Inspector General
 Office of Investigations
 1700 North Moore St.
 Arlington, VA 22209

DIPLOMATIC POUCH MAIL REGISTRATION			
NAME OF SENDER RSO		DATE OF REGISTRATION 02/23/99	
OFFICE SYMBOL OF SENDER RSO	CLASSIFICATION UNCLASSIFIED		
ADDRESSEE Jan Reilly, Department of State, SA-39, Room 910,			
IDENTIFICATION Office of the Inspector General, Office of Investigations 1700 North Moore Street Arlington, VA 22209			

OPTIONAL FORM 128
October 1992



THE ARIZONA REPUBLIC, March 29, 1999

It's unclear what action the State Department might take against Parish. The department's investigative arm, the Office of the Inspector General, said he could face criminal prosecution if his relationship with COFCO involved a quid pro quo. Parish insists there was none.

Parish's title at the embassy was first secretary and consul. He said that in his position as chief of the visa section, he was the "ultimate arbiter" of applications for visas, which are highly coveted in China and often difficult to obtain.

Asked if he had known he was violating State Department rules by staying at the COFCO properties, he said, "I really can't recall my state of mind at the time."

Parish said Mann was "a very warm, gracious, hospitable person," whom he met through business at the embassy.

He said he didn't think Mann had offered him the apartment to influence his decision.

"I'm not looking looking for anything sinister behind that, and to this day, I'm convinced, we're friends," he said.

Mann is the president of BNU, a Phoenix subsidiary of COFCO.

COFCO is the China National Cereals, Oils and Foodstuffs Import & Export Corp. Fortune magazine last year placed the corporation, which is directed by the Chinese Ministry of Foreign Trade, 309th on its list of the world's 500 largest companies. It ranked ahead of such American giants as Time Warner and Alcoa.

BNU manages the center and Chinese-owned real estate in Phoenix, Las Vegas and Los Angeles. It also provides auto loans and owns three shoe factories in China.

The Norwalk property where Parish stayed was the Palm Country Club, a six-building apartment complex comprising 249 units that rent for \$685 to \$1,085 per month. Until last month it was owned by a partnership consisting of COFCO and the Chinese People's Liberation Army.

The PLA, which has branched out into a wide range of business ventures in China and the United States, bought into the property in 1992 through a U.S. subsidiary.

State Department spokeswoman Maria Rudenski said she could not comment on Parish's use of the COFCO apartments. She would only confirm that he was a visa officer at the embassy.

Caroline Custer, former manager of the Palm Country Club, said Parish stayed at the two-bedroom corporate apartment that was normally reserved for COFCO employees. She estimated that he stayed there between four and six times.

Custer said she received instructions about Parish's visits from Mann.



THE ARIZONA REPUBLIC, March 29, 1999

"Elizabeth would call me and let me know that he was coming in and to be sure that the corporate apartment was available and cleaned and ready for him," Custer said.

Custer said Parish usually stayed at the apartment in the company of young Chinese women. Parish said the women were "friends or acquaintances."

"He would come and stay two, three, four days at a pop, and we would have a fruit basket or something delivered there for him," Custer said.

"I remember times when he would be in the corporate suite and our own employees would have to stay in a hotel.

"I did think it was kind of strange that we would be paying for a hotel for (COFCO) employees and he'd be staying in a corporate apartment. That surprised me. So I realized it must have been something important."

Custer said Mann "always wanted to make sure that he was treated well."

Mann did not return calls about Parish's stays at the Norwalk property. But she had earlier acknowledged that Parish had stayed at another COFCO apartment complex, Gloria Park Villas in Las Vegas.

"He said, 'It's a beautiful place,' and we said, 'If you'd like to stay, you can stay for a night,' " Mann said. "He didn't have to. His parents live in Las Vegas."

Mann acknowledged that Parish, as head of the visa section at the embassy, provided assistance to COFCO.

"If we have a problem, we consult him on certain issues: how we apply," she said. "But we never ask him to issue visas blankly. We never have to. Why should we?"

Parish attended Arizona State University from 1968 to 1974. He later earned a degree from Chapman College in Orange, Calif.

Mann is a native of China whose given name is Ning Yu. She took her American name around 1992, when she and her husband, Frederic, became U.S. citizens.

Mann said Parish had visited COFCO's Phoenix offices several times during his tenure at the State Department.

"We just wanted him to visit our company, that's it," she said. "Like many other people visit our company, he's just one of those people. We want to promote Phoenix."

LANGUAGE: ENGLISH

LOAD-DATE: March 30, 1999



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THE ARIZONA REPUBLIC

March 29, 1999 Monday, Final Chaser

SECTION: FRONT; Pg. A1

LENGTH: 1064 words

HEADLINE: EX-ENVOY TO CHINA ACCEPTED FAVORS

BYLINE: By Jerry Kammer, The Arizona Republic; Research librarian Donna Colletta contributed to this article.

BODY:

A former official at the U.S. Embassy in Beijing repeatedly violated State Department rules by accepting favors from a large corporation owned by the Chinese government, The Arizona Republic has learned.

When Charles M. Parish Jr. accepted free lodging at corporate apartments in Las Vegas and Norwalk, Calif., in 1995 and 1996, he was in charge of the visa section at the embassy.

In that position he provided visa assistance to Elizabeth Mann, a Chinese-born Phoenix woman who is an executive with a corporation directed by the Chinese Ministry of Foreign Trade.

That corporation, COFCO, owns the new Chinese Cultural Center on 44th Street.

While COFCO has not been tied to allegations that Chinese government money was used to influence the 1996 U.S. elections, the Parish story illustrates the same underlying issue - the potential vulnerability of government officials to foreign interests.

Parish's free stays at the Chinese-owned properties in 1995 and 1996 were forbidden by the State Department's Standards of Conduct.

Those standards prohibit taking "gifts, favors, entertainment or loans" from "anyone who is seeking official action" from the State Department.

Parish, 52, acknowledges that he stayed free of charge at the COFCO properties. But he said the visits did not affect his decisions on visas.

"Did I ever abuse my position? No," he said in a telephone interview from his parents' home in Las Vegas. "I'm very emphatic about that. I'm very clear about that."

But Parish, who retired from the State Department last year, expressed regret about his use of the apartments. He acknowledged that it raised a question of a conflict of interest between his duties as a government official and his relationship with a corporate executive.

"It's clear to me now that this is regrettable, that it creates the appearance of at least a conflict of interest," he said.



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Sunday, May 9, 1999

Visa Officers Rarely Face Investigation Into Fraud

■ When Charles Parish was recalled for alleged wrongdoing, he braced for the worst. But there was no timely follow-up. It took a link to former Democratic donor Johnny Chung to get the ball rolling, but by then 'the trail was completely cold.'

By RONE TEMPEST, TYLER MARSHALL and PATRICK J. McDONNELL, Times Staff Writers

BEIJING--When he was dismissed from his post as a senior U.S. diplomat here, Charles Matthew Parish braced for what he expected would be a grueling investigation of his activities.

His superiors accused Parish of using his position to grant visas for friends, of accepting gifts in excess of strict State Department limits, and of improper fraternization with Chinese women. Several of the women

accompanied Parish on trips back home to Los Angeles and Phoenix, where they all stayed free of charge in apartments owned by a Chinese state trading company.

Parish, an ex-Marine who was on his fourth foreign assignment for the State Department, acknowledges acts that appear to violate a State Department code of conduct during his tour as chief of the visa section in the busy Beijing consulate. When he was removed from Beijing in May 1996, he said he was prepared for the worst--a criminal investigation into whether he had broken bribery or visa fraud laws.

Embassy security officers sealed his office, seized documents and barred Parish from coming back.

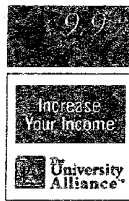
But there was no timely follow-up. Instead, Parish, now 52, was transferred to Washington, assigned a sensitive post in the State Department, sent on special assignments abroad and awarded a merit raise. Eventually he retired on an annual pension of \$43,000.

The Parish case illustrates the slow, cumbersome and spotty way that the State Department and the Department of Justice handle problems among U.S. diplomats, including visa officers. About 800 diplomats in 230 consulates have the



A Chinese soldier tries to control a crowd of Chinese people outside the American Embassy in Beijing who hope to obtain visas at the U.S.
STEPHEN SHAWER / For The Times

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power to issue one of the world's most coveted documents--the visa that grants permission to enter the United States. These diplomats regularly face what one former official called the "terror" of the visa line--from death threats to heart-wrenching pleas, as well as offers of bribes from desperate applicants.

The vast majority of these diplomats resist temptation. But those suspected of issuing visas in exchange for money, gifts or sexual favors often are allowed to retire or move to another post rather than face extensive investigation or prosecution. The lack of strong action against them weakens the nation's "first line of defense" against illegal immigration and internal security threats, as well as State Department morale.

Despite his dramatic departure, two years passed before Parish directly faced FBI and State Department investigators. Even then, it took something special: His name surfaced in connection with the U.S. presidential campaign finance scandal.

FBI agents interrogated Parish about visas he issued to Chinese friends of Johnny Chien Chuen Chung, who has told federal investigators he was given cash by the chief of Chinese military intelligence to support President Clinton's reelection.

But by the time FBI investigators got to Parish, key visa records had been destroyed. The State Department generally requires that successful visa application documents be held for only one year. State Department investigators arrived on the scene even later.

"By the time they finally got here," said a former consular officer in Beijing, now assigned to Washington, "the trail was completely cold."

Now the investigations are heating up again because of new allegations by Chung. Sources said Friday that Chung, who is scheduled to testify before Congress this week, told federal investigators that he witnessed Parish accepting a bag of cash from an executive of a Chinese brewing company in an apparent exchange for visas. Parish denied the allegation.

Misconduct Amid Diplomats Is Broad

Current and former State Department officials, as well as critics in Congress, say the Parish case fits into a broader pattern.

Of a dozen cases known to The Times, a majority of diplomats suspected of wrongdoing in issuing of visas retired or were moved to another post. Cases that were opened took years to develop and usually ended up being dropped.

In 1995, former Consul General Richard Peterson was allowed to retire quietly after being removed from his post in Manila in the face of suspicions that he had granted special favors to clients of two Los Angeles immigration attorneys.

An Africa-based diplomat left his post in 1996 amid allegations that he traded visas for money and business opportunities. Although a grand jury investigation is ongoing, that diplomat remains in the foreign service and last year was awarded a prestigious assignment in Washington.

Joe Davison, then the State Department's chief criminal visa fraud investigator, said in an interview that three diplomats who were under investigation for suspected wrongdoing retired in 1997.



Another Asia-based diplomat was removed from his post in 1998 because he was suspected of granting visas as a favor to his local girlfriend, The Times has learned. That diplomat has since been transferred to another post in Washington.

Punishment for diplomats suspected of visa irregularities rarely appears to extend to firing--or prosecution. Federal authorities have prosecuted only one U.S. diplomat for visa fraud in the last decade, and that 1997 case resulted in an acquittal.

The impact of misconduct by consular officers is far broader than the relatively small numbers imply.

For the vast majority of diplomats who play by the rules, the actions of one errant officer who goes unpunished can hurt the morale of an entire consulate--as does a State Department disciplinary process that can take years.

"It's demoralizing to find people walking the corridors who should be disciplined and are not," said Dan Geisler, a veteran foreign service officer who now serves as president of the American Foreign Service Association, a de facto diplomats' union.

Two State Department agencies, the Office of the Inspector General and the Bureau of Diplomatic Security, have overlapping authority to investigate visa fraud involving diplomats, generating frequent rivalries and jealousies. And both struggle with an elite State Department culture that nurtures secrecy and a preference to deal discreetly with problem diplomats.

While admitting their procedures are drawn out, State Department officials say the fault for the lack of prosecutions lies largely with the Department of Justice, which is reluctant to act on cases referred for criminal prosecution.

But inside Justice, prosecutors point to the enormous latitude given consular officers. These diplomats have wide discretion, based on a brief review of a written application and a short interview to determine whether applicants appear honest and likely to return home after visiting the United States. Prosecutors say this makes it virtually impossible--and costly--to prosecute them successfully, even when evidence points strongly to wrongdoing.

Yet opportunities for corruption in the country's elite foreign service have never been greater. Not all illegal immigrants sneak into the United States on rusting ships or under strands of barbed wire.

Visas Obtained Through Bribes

Consular offices issue nearly 6 million short-term visas annually. Officials estimate that about 40% of the more than 5 million illegal immigrants now thought to be in the U.S. entered the country legally, often on valid visas issued at U.S. consulates overseas. While certainly a minority, an unknown number of these came on visas obtained through bribery or fraud.

The collapse of the Soviet Union and the opening of China have pumped masses of new high-risk visa applicants into the system. As a result, the street value for a U.S. visa can be \$20,000 or more.

Desperate applicants may try to curry favor with diplomats.



A consular officer who served in Sao Paulo, Brazil, recounted how female visa applicants would often slide their "portfolios" containing nude photographs under the counter with their visa applications.

Dennis Halpin, the diplomat who replaced Parish in Beijing, remembers one Thanksgiving eve when a courier arrived at the front gate of the embassy with two fully cooked turkeys "stuffed" with visa applications. Halpin sent the turkeys and visa forms back.

In 1994, James Waller, a former consular officer in Mumbai (Bombay), reported to authorities that he was offered \$130,000 by a travel agent to issue visas in 30 altered Indian passports. Waller participated in an investigation that led to the travel agent's arrest.

But not all American diplomats behave so admirably.

For two years, until he was dismissed, Parish was first secretary and consul at the Beijing embassy, putting him in charge of one of the busiest U.S. consulates in the world.

In a lengthy interview with The Times in March, Parish admitted accepting free lodging worth hundreds of dollars on several occasions—in Phoenix and suburban Los Angeles—from the Phoenix representative of a Chinese state-owned trading conglomerate. The free stays, Parish acknowledged, came after he had reversed a subordinate's decision and approved a visa request submitted by a representative of the company, China National Cereals, Oils & Foodstuffs Import & Export Corp. (Cofco).

Afterward, Parish said, he granted visas on several other occasions to representatives of Cofco.

A State Department "Standards of Conduct" guide issued to all diplomats prohibits acceptance of any gifts, favors or entertainment valued at more than \$20 "from anyone who appears to be offering the item of monetary value because of your official status or position."

Receiving such gifts, the guide warns, may violate federal bribery laws. Also on the books are laws carrying stiff jail sentences for visa fraud.

During the interview, Parish also confirmed that he, his Chinese girlfriend and his sister were Chung's guests at a \$1,000-a-plate Democratic fund-raiser in Century City attended by both the president and the vice president. Previously, Parish had helped Chung obtain visas for his Chinese associates so they could travel to the United States.

Sources said Friday that Chung has told federal investigators that he saw Parish accept the cash in 1996 from an executive of Haomen Group beer company. The bag contained about 10 Chinese passports and the approximate equivalent of \$15,000 in Chinese currency, the sources quoted Chung as saying.

Haomen executives, accompanied by Chung, visited the White House in December 1994 in an effort to establish a U.S. market.

Parish angrily denied the allegation and said he did not know He Yei Jun, the beer company executive who allegedly provided the bag of cash and passports at a Beijing hotel.

"That's total and utter nonsense," Parish said in a telephone interview. "That's absurd. It did not happen." The ex-diplomat



said he did not recall ever having approved a visa for any Haomen officials.

Meanwhile, the House Committee on Governmental Reform, the congressional panel investigating campaign financing, sent a subpoena to the State Department seeking records on Parish. "The department will be taking appropriate steps to comply with the subpoena," said Stephen McCreary, an attorney with the State Department's Office of the Legal Adviser.

Parish, in the March interview, also acknowledged obtaining visas for his girlfriend and her friends. And he admitted taking his embassy secretary--a Chinese government employee required to make regular reports to Chinese intelligence authorities about activities in the embassy--with him on a trip to the United States.

Parish, who served as consular officer in El Salvador, Bangladesh and Nepal before Beijing, denies any quid pro quo in these cases. He said all recipients were legitimate applicants who merited visas, often wealthy businessmen and high party officials.

However, he added: "I've had to be honest with myself: I screwed up."

"What I regret," Parish said, "is putting myself in a position where the appearance of impropriety takes place." His mistakes, Parish said, were mostly the result of his affection for the Chinese people and his generally gregarious nature.

Several Parish co-workers reported their concerns to the embassy security officer and a visiting team from the inspector general's office, which investigates allegations of employee misconduct.

Ambassador James R. Sasser's decision to dismiss Parish was preceded by a small-scale mutiny of the diplomats who served under him. Three of those officers have since left the foreign service, citing the Parish episode--and the lack of State Department follow-up--as one factor in their decision.

Cases Costly to Investigate

Although complaints about the diplomat's behavior helped prompt his removal from Beijing, diplomats and others say they were never contacted again once Parish was reassigned back to Washington.

"After Charles [Parish] left," said Kai Ryssdal, who served under Parish in Beijing, "there was zero interest in this from diplomatic security or the Department of State." Ryssdal, whose wife, Stephanie Fossen, also left the foreign service, said he was "baffled beyond belief, astounded, amazed" by the failure of authorities to investigate further.

"I was clearly under the impression that there was going to be substantial follow-up after he [Parish] left," Sasser said. "Later on I was surprised to find out that he had another job. . . I thought maybe he got himself straightened out."

A senior investigator from the inspector general's office, citing State Department policy, declined to discuss any aspect of the Parish case, including the delay in follow-up. But members of Congress worry that cases such as that of Parish are part of a far larger problem.

"I'm concerned that the lack of a strong management



response to problems such as malfeasance in office by State and other foreign affairs agency employees . . . may have far-reaching effects on the ability of those agencies to accomplish their missions," Rep. Benjamin Gilman (R-N.Y.), chairman of the House International Relations Committee, wrote to State Department Inspector General Jacquelyn L. Williams-Bridgers in a 1996 letter.

The letter triggered a 1998 report by the Inspector General's office that concluded the department's disciplinary process was long, costly and cumbersome. Officials at the inspector general's office say they have worked to speed up their investigations after the report was issued.

The increasingly important role played by American consular officers makes policing of corruption or malfeasance, and criminal investigations when merited, that much more important.

John D. Negroponte, a retired diplomat who served as ambassador to Honduras, Mexico and most recently the Philippines, had the dubious distinction of having dismissed two consecutive U.S. consuls general in Manila, a high-volume visa post where he served as ambassador from 1992 to 1995.

The first consul general fired by Negroponte was John Henry Adams, who in 1997 was tried and acquitted on charges of visa fraud before a federal court jury in New Hampshire.

Adams admitted in court documents that he granted visas to three Thai women to "help a friend" later imprisoned in the United States as a heroin trafficker. Prosecutors alleged a sex-for-visa scam. But Adams denied any wrongdoing and said he didn't know the women were prostitutes engaged in the transnational Thai sex trade or that his "friend" was a trafficker.

Authorities point to the Adams case as epitomizing the difficulties of prosecuting diplomats.

A bad decision granting a visa, in and of itself, is no crime. To convict, a prosecutor must prove the diplomat knew the applicant was unsuitable, then benefited personally from the transaction.

A single defense witness, who testified about the wide discretion available to consuls general, was enough to win Adams' case in court.

The Adams prosecution, officials say, also underscores how difficult and costly such cases can be to investigate. They typically require the cooperation of foreign governments and the dispatching of agents to far-flung locales.

"We prosecute someone who offers a \$50 bribe to get rid of a parking ticket because we know even small crimes are corrosive, but the resources required to deal with a case that happens overseas makes it a tough call," said a veteran prosecutor in the U.S. Attorney's office in Washington, D.C.

Also, officials caution, any allegations of consular wrongdoing must be approached with a degree of skepticism. Visa racketeers regularly boast falsely of their "friendship" with unsuspecting consular officers to boost credibility with clients willing to fork over thousands of dollars.

In high-demand nations like China and Mexico, consular officers frequently develop reputations as being easy or hard on visa seekers. Some applicants deliberately seek out those rumored to be more receptive. Varying visa approval rates,



however, are usually just the result of differing interpretations of applicants' qualifications in what is far from an exact science.

Adams was replaced in Manila by Richard Peterson--a 30-year diplomat with previous postings from Brussels to Bermuda to Mexico. Peterson was known as a model of probity: a family man nearing retirement and devoted to his two young children and his English-born wife. Peterson was also an experienced hand, having headed the busy consular offices in both Mexico City and Ciudad Juarez, the latter across the Rio Grande from El Paso.

Ultimately, though, his ambassador and other superiors said Peterson would stumble in Manila, his fall precipitated by two frequent visitors to the U.S. Embassy complex.

The two visitors to the consulate made a practice of flashing a badge and identifying themselves to guards as "INS officers," according to diplomatic and law enforcement sources and documents.

INS Probes Underground Process

An official investigation revealed that the two were actually a pair of Los Angeles attorneys--Leslie J. Frank and Martin Simone--who had set up shop in Manila's five-star Diamond Hotel to represent Filipinos seeking visas. The badge was issued not by the federal government's Immigration and Naturalization Service but by the Los Angeles city human relations commission, of which Frank was a member, appointed by Mayor Richard Riordan. Frank had known Peterson socially since one of the diplomat's previous tours.

The investigation by the INS and local authorities showed that the badge-toting lawyers alternated escorting Philippine clients inside the consulate for an "exclusive interview" with Peterson, according to an official summary of the case. The lawyers' hotel telephone records showed regular contact with Peterson on both his direct office line and at his residence.

During July 1995, about 40 clients were granted interviews with Peterson, who issued visas to all but two of them, Simone acknowledged in a recent interview at his corner office on Wilshire Boulevard in Los Angeles. The lawyers charged each successful applicant \$5,000 to \$10,000, Simone said.

Under questioning, official documents show, Peterson denied ever having knowingly adjudicated a visa application for one of the lawyers' clients. Personal adjudication of visa cases by consuls general, though not unheard of, is frowned upon in State Department protocol, particularly in large, high-volume consulates.

Investigators stopped and questioned Frank at the consulate. In his credential case, they found the badge. Philippine authorities briefly detained Frank on suspicion of impersonating an officer, but he was released and left the country. Simone had already returned to Los Angeles.

Frank declined all comment on the case. But his partner, Simone, denied that the lawyers had ever posed as immigration officers or otherwise acted improperly.

Peterson was immediately suspended pending "the outcome of a full investigation" by the State Department.

A review by the deputy consul in Manila, Kevin Herbert,



concluded that the clients presented by the two attorneys "appeared to be clearly unqualified / ineligible for" visas, the government summary said. Within days, Peterson was on a plane back to Washington. He retired within weeks.

Peterson, interviewed for more than an hour in the driveway of his suburban El Paso home, denied any wrongdoing, and there is no evidence that he profited from his association with the lawyers. The former Manila consul general portrayed his early exit from Manila as entirely voluntary, timed to accompany his school-age children back to the United States in time for the fall school term.

"My departure from Manila, as far as I know, was at my own request," Peterson said in the only public statement he would agree to make.

After Manila, Peterson said he was never again interrogated by State Department investigators. Nor were Frank, Simone or the key diplomats who worked with the consul general. Peterson retired on a full pension.

'I Am a Nice Guy'

Like Peterson, Charles Parish has retired. He has been living recently in his parents' home on the outskirts of Las Vegas. The ex-diplomat, a loquacious, sturdy 6-footer who likes mountain biking in the surrounding desert hills, spends considerable time contemplating his days in China.

He says he feels betrayed by both Chung and his former girlfriend, Zhang Fan, who he contends exploited his friendship.

Parish attributes his actions to his love of China, his affection for Chinese people and his gullibility. He said he was put off by the often hostile and adversarial attitudes of his fellow diplomats toward the Chinese. In Parish's view, he was on a one-man mission to repair this negative outlook. An article in a Beijing magazine even mentioned this "kind" officer.

Upon his forced departure from Beijing, Parish says he was convinced that his diplomatic career was over. But he was cautiously pleased when he was given a new job in Washington reviewing security risks for Iranian and Iraqi visa applicants.

In the summer of 1997, the State Department sent Parish on special assignment to Rio de Janeiro. The following October, Parish, now working in a job he loved with State's Bureau of Oceans and International Scientific and Environmental Affairs, was awarded a merit raise. Parish was a member of the U.S. delegation to the United Nations conference on global warming in Kyoto, Japan, in late 1997.

The diplomat did not decide to retire until early 1998, when FBI agents questioned Parish and his sister about the campaign dinner in Century City and Parish's relationship with Johnny Chung. He finally left last May with a combined 28 years in military and foreign service, qualifying him for a full pension.

These days, the ex-diplomat reads classic Chinese literature and tries not to let soured relationships turn him against the Chinese culture and people.

"I just had this discussion with my parents," Parish said. "They are hearing these things about their son. But they also know that I am a dearly, dearly beloved friend of many, many Chinese. I don't want to forget that--and that I am a nice guy."



Stuff happens. Maybe I should have been more careful.
"Part of my confusion is: Was I just being dismissed? Or was I being sent home under some criminal suspicion?" Parish recalled. "To this day, I don't know."

This story was reported by Times Staff Writers Rone Tempest in Beijing, Hong Kong and Manila; Tempest and Patrick J. McDonnell in Los Angeles, El Paso and Las Vegas; Tyler Marshall in Washington and Paris; and Maggie Farley in Shanghai. Also contributing were Times Staff Writers William C. Rempel in Los Angeles and Alan C. Miller in Washington, and Anthony Kuhn in the Times Beijing Bureau.

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Embassy of the United States of America

UNCLASSIFIED

June 5, 1996

MEMORANDUM

TO: DCM - [REDACTED]

FROM: POL - [REDACTED]

SUBJECT: Provincial Comments on Obtaining a Visa from Embassy Beijing

At a May 30 dinner in Qingdao hosted by the local Foreign Affairs Office, [REDACTED] was told by Chinese officials, as well as local Chinese businessmen, that "everyone knew" that it was "very easy" to get a nonimmigrant visa from U.S. Embassy Beijing. The Chinese said that if you anticipated that you might have difficulty in obtaining a visa -- for instance, you were applying for a visa allowing you to work in the United States but you did not speak English -- you simply took "the black official" in the Embassy to dinner, gave him a "gift," and you were guaranteed a visa.

Responding to a question, a Qingdao Foreign Affairs Office representative said that he had first learned of this "procedure" over a year ago when he was living in Los Angeles. He stated that at that time he had met "many" obviously unqualified Chinese people who, "he was surprised to learn," had been issued PRC passports. He commented that he was even more amazed, however, that the U.S. government had issued these people visas. According to the official, it should have been obvious that these people were not qualified for certain types of visas which would normally go to trained business people or scholars. He reportedly questioned a number of these people as to how they were able to obtain U.S. visas and was told about the "black official" at the consular section in the U.S. Embassy in Beijing.

UNCLASSIFIED

dft: [REDACTED]
doc: WP-8739



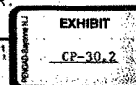
Standard Form 50-B
Rev. 7/81
U.S. Office of Personnel Management
FPMR Supp. 200-32, Subch. 4

NOTIFICATION OF PERSONNEL ACTION

1. Name (Last, First, Middle) PARISH JR, CHARLES M		2. Social Security Number [REDACTED]	3. Date of Birth 01-14-47	4. Effective Date 01-04-98
FIRST ACTION 5-A. Code 5-B. Nature of Action 894 PAY ADJUSTMENT		SECOND ACTION 5-A. Code 5-B. Nature of Action		
6-A. Code 6-B. Legal Authority ZLM E.O. 13071, DATED 12/29/97		6-C. Code 6-D. Legal Authority		
6-E. Code 6-F. Legal Authority		6-G. Code 6-H. Legal Authority		
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26. Veterans Preference for RF X		27. FEGLI R		28. Annuitant Indicator 0
29. Retirement Plan ADQ3XPSOFO		30. Service Comm. Date (Leave) 02-16-70		31. Work Schedule F
POSITION DATA				
32. Position Occupied 3		33. FLSA Category 1		34. Appropriation Code 0113.0-1097
35. Duty Station Code 110010001		36. Duty Station (City/Country/State or Overseas Location) WASHINGTON DC		37. Bargaining Unit Status 0040
40. Agency Code 12-90		41. WGI DUE 268	42. SKILL 3001	43. 44.
45. Remarks				

SALARY INCLUDES A GENERAL INCREASE OF 2.3 PERCENT AND A
LOCALITY PAYMENT (OR OTHER GEOGRAPHIC ADJUSTMENT)
APPLICABLE IN THIS AREA.

46. Employing Department of Agency ST00		47. Agency Code 1900		48. Personnel Office ID 2951	49. Approval Date 01-03-98	50. Signature/Authentication and Title of Approving Official EDWARD W. GNEHM, JR. DIRECTOR GENERAL
3-Part 50-318						2 - OFF Coop - Long-Term Record - DO NOT DESTROY - 1-1-92/27-1-1-91



Standard Form 50-8
Rev. 7/81
U.S. Office of Personnel Management
PFRM Supp. 280-35, Suben. a

NOTIFICATION OF PERSONNEL ACTION

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C6

1. Name Last, First, Middle PARISH JR, CHARLES M		2. Social Security Number [REDACTED]		3. Date of Birth 01-14-47		4. Effective Date 10-12-97	
5. Code 5-B, Nature of Action FIRST ACTION 894A MERITORIOUS SERVICE INCREASE PAY ADJUSTMENT				6. Code 5-B, Nature of Action SECOND ACTION			
7. Code 5-C, Legal Authority 37 SEC 406 (B) FS ACT 1980				8. Code 5-C, Legal Authority			
9. Code 5-F, Legal Authority				10. Code 5-F, Legal Authority			
11. FROM: Position Title and Number Y-02460-43 INTL REL OFF SCIENTIFIC A DE (-)				12. TO: Position Title and Number Y-02460-43 INTL REL OFF SCIENTIFIC A DE (-)			
13. Pay Plan, Locality, Grade, Step, Rate, Total Salary FO 95580 02 09 \$ 77,945.00 PA				14. Pay Plan, Locality, Grade, Step, Rate, Total Salary FO 95580 02 10 \$ 80,283.00 PA			
15. Basic Pay \$72,771, Locality Adj. \$5,174, Total Pay \$77,945				16. Basic Pay \$74,954, Locality Adj. \$5,329, Total Pay \$80,283			
17. Name and Location of Position's Organization 027100 OFFICE OF GLOBAL CHANGE ASST SEC, OCEANS & INT'L ENVIR & SCI AF				18. Name and Location of Position's Organization 027100 OFFICE OF GLOBAL CHANGE ASST SEC, OCEANS & INT'L ENVIR & SCI AF			
EMPLOYEE DATA 19. Veterans Preference 20. Agency Use 21. Veterans Preference for R 22. Actuarial Indicator 23. Retirement Plan 24. Service Com. Date Level 25. Work Schedule 26. Part-Time Hours Per 27. Position Occupied 28. FLSA Category 29. Appropriation Code 30. Duty Station (City-County-State or Overseas Location) 31. Agency Code 32. Personnel Office ID 33. Approval Date 34. Signature/Authentication and Title of Approving Official 35. Remarks							

TRANSFER ELIGIBILITY DATE = 04-98

MSI RECOMMENDED BY THE SELECTION BOARDS

36. Employing Department or Agency ST00		37. Agency Code 1900		38. Personnel Office ID 2951		39. Approval Date 10-12-97		40. Signature/Authentication and Title of Approving Official EDWARD W. GNEHM JR DIRECTOR GENERAL	
3-Part 50-318		2 - OFF Copy - Long-Term Record -- DO NOT DESTROY		Solutions Prior to 7/81		EXHIBIT CP-30.1			

Standard Form 50-B
Rev. 7/91
U.S. Office of Personnel Management
FPMR Supp. 296-33, Subch. 4

NOTIFICATION OF PERSONNEL ACTION

1. Name (Last, First, Middle) PARISH JR., CHARLES M		2. Social Security Number [REDACTED]		3. Date of Birth 01-14-47		4. Effective Date 10-12-97	
5. ACTION: FIRST ACTION							
5-A. Code 790				5-B. Nature of Action REALIGNMENT			
5-C. Code UNH				5-D. Legal Authority M APPROVAL DATED 05/12/97			
5-E. Code				5-F. Legal Authority			
7. FROM: Position Title and Number Y-02460-43 INTL REL OFF SCIENTIFIC AFF				15. TO: Position Title and Number Y-02460-43 INTL REL OFF SCIENTIFIC AFF			
DE (-)				DE (-)			
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27. FESLT R		28. Annuitant Indicator 9		29. Pay Rate Determination U		30. Part-Time Hours Per 3	
31. Service Comp. Date (Leave) 02-16-70		32. Work Schedule F		33. Pay Period 12-90		34. Bargaining Unit Status 0040	
35. FLSA Category E		36. Appropriation Code 0113-0-1097 1111		37. Duty Station (City - County - State or Overseas Location) WASHINGTON DC		38. Duty Station Code 110010001	
39. Agency Data 12-90		40. Skill 267		41. Skill 3001		42. Skill 3001	
43. Remarks TRANSFER ELIGIBILITY DATE = 04-98							

TRANSFER OF POSITION, INCUMBENT AND FUNDS

ACTION PROCESSED BY (PERFSIN) 14:05

46. Employing Department or Agency ST00			50. Signature/Authentication and Title of Approving Official EDWARD W. GNEHM, JR.		
47. Agency Code 1900	48. Personnel Office ID 2951	49. Approval Date 10-23-97	51. Director General DIRECTOR GENERAL		
3-Part 50315			EXHIBIT CP-30.4		

2 - OPF Copy - Long-Term Record - DO NOT DESTROY

Standard Form 50-8
Rev. 7/91
U.S. Office of Personnel Management
FPMR Supp. 296-33, Subch. 4

NOTIFICATION OF PERSONNEL ACTION

1. Name (Last, First, Middle) PARISH JR, CHARLES M		2. Social Security Number [REDACTED]		3. Date of Birth 01-14-47	4. Effective Date 09-14-97
5. FROM: Position Title and Number S-88881-00 REASSIGNMENT		6. TO: Position Title and Number Y-02460-43 INTL REL OFF SCIENTIFIC AFF			
5-A. Code 721		6-A. Code [REDACTED]			
5-B. Nature of Action REASSIGNMENT		6-B. Nature of Action [REDACTED]			
5-C. Code 24		6-C. Code [REDACTED]			
5-D. Legal Authority SEC 502 OF F.S. ACT		6-D. Legal Authority [REDACTED]			
5-E. Code [REDACTED]		6-E. Code [REDACTED]			
5-F. Legal Authority [REDACTED]		6-F. Legal Authority [REDACTED]			
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DE (-)		DE (-)			
FO 97072 02 09 \$77,945.00 PA		FO 95580 02 09 \$77,945.00 PA			
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21. Other Pay \$0		22. Basic Pay \$72,771		23. Locality Allowance \$5,174	
24. Total Salary \$77,945		25. Other Pay \$0		26. Total Salary \$77,945	
27. Name and Location of Position's Organization 219900		28. Name and Location of Position's Organization 024600			
MISCELLANEOUS (NOC)		OFFICE OF GLOBAL CHANGE			
DIR GEN OF FOR SER & DIR OF PERSONNEL		ASST SEC, OCEANS & INT'L ENVIR & SCI			
EMPLOYEE DATA					
23. Veterans Preference 2		24. Tenure 1		25. Agency Use 01 ST TEN	
26. Veterans Preference for YES		27. FEGUI R		28. Pay Rate Determination 0	
29. Retirement Plan 3		30. Service Comp. Date (Label) 02-16-70		31. Work Schedule [REDACTED]	
32. Foreign Service FOREIGN SERVICE		33. Part-Time Hours Per [REDACTED]		34. Pay Period [REDACTED]	
35. Position Occupied 2		36. FLSA Category [REDACTED]		37. Appropriation Code 0113-0-1097	
38. Duty Station Code 110010001		39. Duty Station (City - County - State or Overseas Location) WASHINGTON DC		37. Beginning Unit Sta 0040	
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43. TRANSFER ELIGIBILITY DATE 04-98		44. TYPE TOUR = X = OTHER			

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47. Agency Code 1900	48. Personnel Office ID 2951	49. Approval Date 09-23-97	DIRECTOR GENERAL

EXHIBIT

CP-30-5

Standard Form 50-8
Rev. 7/91
U.S. Office of Personnel Management
FPMR Supp. 295-33, Subch. A

NOTIFICATION OF PERSONNEL ACTION

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1. Name (Last, First, Middle) PARISH JR, CHARLES M		2. Social Security Number [REDACTED]		3. Date of Birth 01-14-47		4. Effective Date 01-05-97	
5. Code 5-A. Nature of Action 994 PAY ADJUSTMENT				6. Code 5-B. Nature of Action SECOND ACTION			
7. Code 5-C. Legal Authority ZLM E.O. 13033, DATED 12/27/96				8. Code 5-D. Legal Authority			
9. Code 5-E. Legal Authority				10. Code 5-F. Legal Authority			
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13. Basic Pay 13B. Locality Adj. 13C. Adv. Basic Pay 13D. Other Pay \$71,134 \$4,296 \$75,430				21. Basic Pay 21B. Locality Adj. 21C. Adv. Basic Pay 21D. Other Pay \$72,771 \$5,174 \$77,945			
14. Name and Location of Position's Organization 219900 MISCELLANEOUS (NOC) DIR GEN OF FOR SER & DIR OF PERSONNEL				22. Name and Location of Position's Organization 219900 MISCELLANEOUS (NOC) DIR GEN OF FOR SER & DIR OF PERSONNEL			

23. Veterans Preference 2		24. Tenure 1		25. Agency Use 01 ST TEN		26. Veterans Preference for RF X YES	
27. FEGLI R		28. Annuity Indicator 0		29. Pay Rate Determinant 0		30. Part-Time Hours Per 0	
31. Retirement Plan 3		32. Service Comp. Date Range 02-16-70		33. Work Schedule F		34. Biweekly Pay Period 0040	
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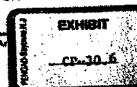
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LOCALITY PAYMENT (OR OTHER GEOGRAPHIC ADJUSTMENT)
APPLICABLE IN THIS AREA.

48. Employing Department of Agency ST00			49. Signature/Authentication and Title of Approving Official ANTHONY C. E. QUANTON		
49. Agency Code 1900			50. Director General DIRECTOR GENERAL		
51. Personnel Office ID 2951			52. Approval Date 01-08-97		

3-Part 50-210

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Editions Prior to 7/91 Are



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Rev. 7/81
U.S. Office of Personnel Management
POM 5080-106-33, Subch. 4

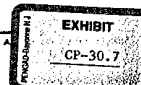
NOTIFICATION OF PERSONNEL ACTION

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C6

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5-A. Code 893				5-B. Nature of Action WITHIN GRADE INCREASE																																																			
5-C. Code 11				5-D. Legal Authority SEC 406 (A) FS ACT 1980																																																			
5-E. Code				5-F. Legal Authority																																																			
7. FROM: Position Title and Number				15. TO: Position Title and Number																																																			
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14. Name and Location of Position's Organization				22. Name and Location of Position's Organization 219900 DG/PER/MISC																																																			
EMPLOYEE DATA 23. Veterans Preference <table border="1"> <tr> <td>1: None</td> <td>2: 10-Restricted</td> <td>3: 10-Partial</td> <td>4: 10-Partial/30%</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>								1: None	2: 10-Restricted	3: 10-Partial	4: 10-Partial/30%																																												
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24. Tenure <table border="1"> <tr> <td>0: None</td> <td>1: Permanent</td> <td>2: Temporary</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>								0: None	1: Permanent	2: Temporary																																													
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25. Agency Use <table border="1"> <tr> <td>1: Yes</td> <td>2: No</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: Yes	2: No																																														
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26. Annuitant Indicator <table border="1"> <tr> <td>1: Yes</td> <td>2: No</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: Yes	2: No																																														
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27. FEGLI <table border="1"> <tr> <td>1: Yes</td> <td>2: No</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: Yes	2: No																																														
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28. Retirement Plan <table border="1"> <tr> <td>1: Yes</td> <td>2: No</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: Yes	2: No																																														
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29. Service Comp. Date Received <table border="1"> <tr> <td>1: Yes</td> <td>2: No</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: Yes	2: No																																														
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30. Work Schedule <table border="1"> <tr> <td>1: Full-time</td> <td>2: Part-time</td> <td>3: Seasonal</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>								1: Full-time	2: Part-time	3: Seasonal																																													
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31. Part-time Hours Per Week <table border="1"> <tr> <td>1: 10</td> <td>2: 20</td> <td>3: 30</td> <td>4: 40</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>								1: 10	2: 20	3: 30	4: 40																																												
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POSITION DATA 32. Position Occupied <table border="1"> <tr> <td>1: Continuing Service</td> <td>2: Extended Service</td> <td>3: Career Reserved</td> </tr> <tr> <td></td> <td></td> <td></td> </tr> </table>								1: Continuing Service	2: Extended Service	3: Career Reserved																																													
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33. FLSA Category <table border="1"> <tr> <td>1: General</td> <td>2: Special</td> </tr> <tr> <td></td> <td></td> </tr> </table>								1: General	2: Special																																														
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34. Appropriation Code <table border="1"> <tr> <td>1: 0107.0-1098</td> </tr> <tr> <td></td> </tr> </table>								1: 0107.0-1098																																															
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35. Duty Station Code <table border="1"> <tr> <td>1: City/County/State or Overseas Location</td> </tr> <tr> <td></td> </tr> </table>								1: City/County/State or Overseas Location																																															
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40. Agency Data <table border="1"> <tr> <td>41. WGL DUE</td> <td>42. 267</td> <td>43.</td> <td>44.</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> </table>								41. WGL DUE	42. 267	43.	44.																																												
41. WGL DUE	42. 267	43.	44.																																																				
45. Remarks																																																							

46. Employing Department of Agency ST00		50. Signature/Authentication and Title of Approving Official ANTHONY C. E. QUANTON	
47. Agency Code	48. Personnel Office ID	49. Approval Date 12-25-96	
51. Part		52. Director General	

2 - OPF Copy - Long-Term Record -- DO NOT DESTROY



ACTION PROCESSED BY (PERFSIN) 14:17

41. Issuing Department or Agency 5100		50. Signature/Authentication and Title of Approving Official ANTHONY C. E. QUANTON	
43. Agency Code 1900	44. Personnel File ID 2951	45. Approval Date 06-04-96	DIRECTOR GENERAL
5-Part Form 60-318			

EXHIBIT
 CP-30.8



May be reproduced. Two-sided copies must be head-to-foot as original form. See Instructions Before Completing (October 1995) FOR ADMINISTRATIVE USE ONLY

U.S. DEPARTMENT OF STATE U.S. FOREIGN SERVICE EMPLOYEE EVALUATION REPORT		NAME OF EMPLOYEE BEING RATED (Surname first) PARISH, Charles M., Jr.	
TYPE OF REPORT REGULAR <input checked="" type="checkbox"/> CAREER CANDIDATE <input type="checkbox"/> VOLUNTARY <input type="checkbox"/> INTERIM: Change of Rater <input type="checkbox"/> Duties <input type="checkbox"/> Assignment <input type="checkbox"/>		GRADE FS-02	SSN [REDACTED]
POST OR ORGANIZATION American Embassy Beijing		PERIOD COVERED From 04/16/95 To 04/15/96	
RATER (Type name) Arturo S. Macias Minister-Counselor for Consular Affairs		REVIEWER (Type name) Scott S. Hallford	
TITLE: Consular Affairs GRADE: FE-OC		TITLE: Deputy Chief of Mission GRADE: FE-MC	
I. EMPLOYEE'S JOB AND WORK REQUIREMENTS (Established by Rater, Reviewer and Employee) A. Describe the position and where it fits in the staffing pattern; indicate the number and kind of employees supervised. <p>Mr. Parish is Chief of the Nonimmigrant Visa Unit, reporting to the Consul General. He supervises four American officers, two American PIT employees, and 14 Chinese employees.</p>			
B. Divide work requirements into two categories, continuing responsibilities and specific objectives (including, as appropriate, professional development activities); delineate in descending priority order. Include specific requirements relating to needs of other agencies. <p>CONTINUING RESPONSIBILITIES:</p> <ol style="list-style-type: none"> 1. Manage, direct and supervise the Nonimmigrant Visa Unit. 2. Determine consular staffing, equipment and supply needs and carry through plans to meet increased needs with decreased staff. 3. Serve as the Accountable Consular Officer (ACO). 4. Serve as the section's Anti-Fraud Officer. 5. Conduct the professional training of newly-arrived junior officers and supervise that of the American PIT's and Chinese local staff. 6. Adopt, where possible, "off the shelf" software to improve efficiency and accountability of consular functions. <p>SPECIFIC OBJECTIVES:</p> <ol style="list-style-type: none"> 1. Reinvigorate the anti-fraud program with emphasis on potential L-1 fraud, prepare more frequent spot reporting to the Department and the constituent posts, and draft a quarterly anti-fraud report to Washington. 2. Identify a local vendor to provide basic PC training for OSB and American staff. 3. Design and install a LAN system linking existing consular PC's. 4. Design and procure Chinese language materials with post and China-specific orientation for use by FSI and consular officers at post. 5. Work with private and government tourist/travel agencies to establish a program to meet rising demand for tourist travel to U.S. 6. Serve as the Embassy's Coordinator for the Atlanta 96 Olympics. 			
C. Describe any special circumstances influencing the work program. <p>Managing a fully operational MRV post which is required to produce thousands of routine cables with limited technical support in addition to conducting all interviews in Mandarin creates an extremely stressful daily environment, and calls for excellent interpersonal and managerial skills.</p>			

FORM

nc-107a

When completed on Foreign Service personnel, this is an efficiency report which shall be subject

FORM DS-1829



Page 2

IIA. EVALUATION OF OVERALL PERFORMANCE AND ACCOMPLISHMENT (Completed By Rater)

ALL CLASSES EXCEPT SENIOR FOREIGN SERVICE

A. General Appraisal:

All classes--Performance was satisfactory or better (if no, see instructions for documenting unsatisfactory performance)

☒ Yes ☐ No

B. Discussion: Performance--strengths and weaknesses--is evaluated in terms of the six competency groups listed below. (See instructions for definitions and list of competencies within groups.) Items 1 through 5 must be addressed with at least one competency from each group. Foreign Language Competency (item 6) should be addressed for employees if mandatory provisions apply (see instructions).

1. Substantive Knowledge
2. Leadership
3. Managerial Skills
4. Intellectual Skills
5. Interpersonal Skills
6. Foreign Language Skills (complete per instructions)

Substantive Knowledge: Mr. Parish understands the nonimmigrant visa process as well as any officer in the Foreign Service and has a better grasp than most of the ways in which automation and computer technology can be harnessed to cope with ever increasing workloads and severely limited personnel resources.

Intellectual and Managerial Skills: Mr. Parish had the conceptual skill to discern that the key to more effective utilization of the new technology in consular applications is more and better training and he had the managerial skill and understanding of human resources to carry out his plan. He started by identifying the goals he wanted to achieve. His junior officers were reasonably equipped to deal with automated systems but the largest number of his unit's employees are Chinese and not true FSN's. They are hired from the Diplomatic Services Bureau, an agency of the Chinese Government. It would be by training this group that maximum results could be obtained. He had to locate a local service provider, identify the type and amount of training to be given, and then by working with both the vendor and the staff, cooperatively develop a syllabus and the materials necessary to achieve the desired result. By the end of the rating period all 14 of the Chinese local employees have had basic PC training. They can use Windows 3.1 and execute simple DOS commands. In addition, they can do basic English and Chinese word processing, format and send faxes, and create and manipulate a simple data base. Recognizing further the need for a useable PC LAN system for the Consular Section, he worked closely with the Admin Section to identify consular LAN requirements and to devise a plan to meet the need. The system is now up and running and is available to all of the officers.

Leadership Skills: After the revision of his work requirements statement last autumn giving Mr. Parish primary responsibility for the section's anti-fraud program, he arranged to increase the local staff resources available for investigations. We are now more responsive to INS inquiries, in particular those that are time sensitive due to pending deportation action. He could do more. I am disappointed, specifically, that there has been little written reporting on NIV fraud trends or anti-fraud activity during the past year. He was very active in a recent carrier consultant program visit, coordinating local airline, immigration and Foreign Office officials, and the visitors to maximize the effectiveness and utility of the anti-fraud training. He has also taken the lead in developing local procedures for handling the hundreds of Chinese participants and officials destined for the 1996 Olympic Games in Atlanta.

Interpersonal Skills: Mr. Parish has a wide circle of friends and contacts in the Chinese community. He is in constant demand for social events and his warm outgoing personality endears him to his many friends. He deals with thousands of inquiries the visa unit receives by phone and in person. He is invariably polite and helpful and strives always to provide a high quality of customer service.

Foreign Language Skills: Mr. Parish effectively uses his Chinese in his work. He has continued his efforts to increase his proficiency.

FORM DS-1629

Page 3

II.B. EVALUATION OF OVERALL PERFORMANCE AND ACCOMPLISHMENT (Completed by Rater)

FOR SENIOR FOREIGN SERVICE USE

- | | | YES | NO |
|-----------------------|--|--------------------------|--------------------------|
| A. General Appraisal: | Performance was satisfactory or better (If no, see instructions for documenting unsatisfactory performance) | <input type="checkbox"/> | <input type="checkbox"/> |
| B. SFS Member: | 1. Adjustment of Salary Level -- Performance was excellent or better | <input type="checkbox"/> | <input type="checkbox"/> |
| | 2. Member is Recommended for Recertification -- Performance was excellent or better | <input type="checkbox"/> | <input type="checkbox"/> |
| | (See instructions for recertification, conditional recertification, and non-recertification criteria) | <input type="checkbox"/> | <input type="checkbox"/> |
| | 3. Member is Recommended for Performance Pay | <input type="checkbox"/> | <input type="checkbox"/> |
| C. Discussion: | Performance--strengths and weaknesses--is evaluated in terms of the six competency groups (see instructions for definitions and list of competencies within groups). Items 1 through 5 must be addressed with at least one competency from each group. Foreign Language Competency (item 6) should be addressed for employees if mandatory provisions apply (see instructions). To justify a recommendation for performance pay award, the rater must also address the additional eight performance pay criteria (see instructions). | | |



FORM OS-1829



Page 4

III. EVALUATION OF POTENTIAL (Completed by Rater)

A. General Appraisal: (Check block that best describes potential)

1. For Career Candidates only: Assessment of career potential as a Foreign Service Officer or Foreign Service Specialist:

- ☐ Unable to assess potential from observations to date
☐ Candidate is unlikely to serve effectively even with additional experience
☐ Candidate is likely to serve effectively but judgment is contingent on additional evaluated experience
☐ Candidate is recommended for tenure and can be expected to serve successfully across a normal career span

(Support your choice by discussing below the candidate's potential for successful service across a normal career span, citing examples which illustrate strengths and weaknesses in the competencies cited in Section II.)

2. For other Foreign Service employees:

- ☐ Recommend immediate promotion
☒ Recommend additional experience at current grade

(Discuss below the rated employee's command of skills for successful performance in positions, interfunctional and/or in employee's cone or specialty, at the next higher grade. For those recommended for additional experience, the rater additionally must describe the specific experience needed and identify the competency or competencies listed in Section II, including skills in employee's cone or specialty, which that experience will develop.)

B. Discussion:

One of Mr. Parish's greatest strengths is his ability to deal with fast moving, quickly changing crisis situations. When confronted with emergencies he shows to best advantage his qualities of clear thinking, organizational expertise, and decisive action. No one could have responded more imaginatively or innovatively than did Mr. Parish when I sent him to the furthestmost reaches of far-Western China last summer in search of Harry Wu. The incarceration and temporary disappearance of this controversial American made front page headlines worldwide. Mr. Parish's ability to move swiftly to Urumqi, 1500 miles from Beijing, and from there arrange for overland transportation another 300 miles to the border of Kazakhstan, challenged his initiative and survival skills to the utmost. The last stage of the trip, over barely passable dirt roads, took 12 hours. Keeping in constant touch with the Embassy was nearly impossible but he did it and that made it infinitely easier for us to respond to demands from the Department, the Hill, and the White House.

A more prosaic challenge to Mr. Parish's adaptability and innovation occurred on the very cold day in January when the Consular Section reopened after the 15-day furlough. Confronted with an enormous crowd of desperate visa seekers, he swiftly organized crowd control measures which separated the easy cases from the tough ones, arranged expeditious handling for those needing to travel urgently, deferred processing for routine cases, and enabled a harried visa staff to deal with four times the normal workload without extra bodies and without collapsing altogether.

It is his ability to rise to such challenges which suggests that Mr. Parish is capable of greater responsibility in the future.

C. Areas for Improvement: The following must be completed for all employees. Employees should be made aware of areas where they should concentrate their efforts to improve. Based on your observation of the employee in his/her present position, specify at least one area in which he/she might best direct such efforts. Justify your choice. (The response is not to be directed to need for formal training.)

Mr. Parish has difficulty in communicating upwards. Despite my urging, he has not kept me as fully informed of plans, problems, or changes of policy in his unit as I would have liked. Having preceded him at post, my familiarity with the unit and its staff makes it relatively easy for me to overcome these lacunae. My successor will not have these advantages and Mr. Parish must take care in the coming year to be more open with his supervisor. Regular ongoing dialogue which he initiates, instead of simple responses to queries, will be essential to a good working relationship.

FORM DS-1829



Page 5

IV. RATING OFFICER'S COMPLIANCE STATEMENT

Work requirements were established by rater, reviewer, and employee on 7/20/95.(If applicable, requirements were revised on 10/16/95.)

Employee's performance was discussed (candidate was counseled) on the following dates:

1. 6/6/95 2. 10/16/95 3. 1/10/96 4. _____

In the case of an unsatisfactory performance rating, this is also to certify that the requirements of 3 FAM 521.2a (measured employees), 3 FAM 559.5(2) (employees subject to administrative promotion), or 3 FAM 576 (FSO Career Candidates) have been met.

Date Rating Completed April 9, 1996 [Signature]
(Rater's Signature)

V. REVIEW STATEMENT (Completed by Reviewer)

A. Discussion: Give your assessment of the employee's performance and potential (if a career candidate, overall potential to serve effectively at all levels across a normal career span, including FS-1 if an FSO candidate). Independent observations on performance and potential should be supported by providing additional examples of performance observed this rating period. Note differences with the rater's appraisal or recommendations. Comment on relations between rater and employee.

This has been an extremely troubled policy year for U.S.-China relations, and Charles Parish was at the center of one of the proximate causes -- the apprehension and arrest of Harry Wu. Charles' involvement not only called upon his years of experience in ACS cases, but also required stamina, courage, and a deft diplomatic touch. Leaving town on two hours' notice to travel to Urumqi and making arrangements to continue on, which ultimately resulted in a 16 hour, 720 kilometer taxi ride to the Kazakhstan border, put Charles at the end of a very long, tenuous line, isolated and without precise guidance. Facing unfriendly and unhelpful local Chinese authorities, Charles was unsuccessful in finding Harry Wu, who had been spirited out by the central government. He, nevertheless, acquitted himself superbly and in the process demonstrated U.S. resolve and the Department's concern about the welfare of one of our citizens in a case fraught with political and policy consequences that attracted the close attention of the highest levels of our government.

Away from the glare of the spotlight, Charles guided his NIV unit in the day-to-day task of providing quick, efficient visa service to the Chinese public. He oversees an operation that continues to provide next-day service and has even managed to shift a significant portion to same-day issuance. His close collaboration with the Information Management staff in designing the consular LAN system has resulted in a fully functional core of four operational terminals. These are primarily for use by the local staff but will grow until each officer has access to his or her own PC. Charles' unit maintained high service standards despite a 40 percent growth in staff (seven new local employees) and the turnover of three new JO's.

Although relations between Charles and the rating officer were generally good, there was a distinct difference in philosophy on visa issuance, which occasionally put Charles at odds with the rating officer and others in the Section.

B. Reviewing Officer's Compliance Statement:

After reviewing this report carefully, I consider it to be complete, in conformance with the instructions, and adequately documented by specific examples of performance.

Date Section V Completed April 15, 1996[Signature]
(Reviewer's Signature)

FORM OS-1829



Page 6

VI. STATEMENT BY RATED EMPLOYEE

A. Discussion: This section is intended to provide the rated employee's views on the period of performance appraised and on career goals and objectives. You must comment on your most significant achievements during the period. You also may wish to address activities or problems which may not have been adequately covered in this report, or aspects of the appraisal which may need clarification or correction. You are encouraged to state your current career goals including training and assignments desired over the next 5 years. (Continuation sheets may be used.)

During the rating period I can say that my greatest accomplishment was to continue the process of improving service to the Chinese public. Absent technical problems, we consistently return passports and visas within 24-hours and even have begun to experiment with same-day returns for those walk-in applicants who are interviewed before 10:00 a.m.

Related to this is the fact that I have been successful in providing basic PC training for my entire staff. This training has paid great dividends not only in increased efficiency of production but also in staff morale. The discipline and energy that is needed to successfully study a technical subject has clear application to their day-to-day work and this also has enhanced efficiency and morale. I have plans for more comprehensive training in the future and am hopeful that I will be able to successfully argue for the necessary funds.

B. I acknowledge receipt of a copy of this report.

Date Section VI Completed 5/14/96

Charles M. Pausch

Employee's Signature

VII. REVIEW PANEL STATEMENT (Completed by Review Panel)

A. Examples of Performance: Specific examples have been provided to support the ratings given the employee. ☒ Yes ☐ No (If not, return to rater for review.)



B. Certification: This report has been prepared according to the regulations and contains no inadmissible material.

5/22/96
(Date)

Robert P. Ludan
(Panel Chairperson's Name - Type)

Robert P. Ludan
(Signature)

C. Comments: (If submitted late, indicate who is responsible for delay.)

FOR OFFICE USE		
<div style="text-align: center;">  Nomination for Award  </div>		
<div style="text-align: center;"> STATE - USAID - USA MAY 22 1999 MAY 22 1999 </div>		
PART I - NOMINATION		
NAME OF NOMINEE (Last, First, Middle Initial) <i>Parish, Charles</i>	SOCIAL SECURITY NO. [REDACTED]	ORG. SYMBOL OR POST
PRESENT POSITION TITLE AND GRADE		
Position held during period covered by nomination if different than present		
<input type="checkbox"/> PERFORMANCE <input type="checkbox"/> CUSTOMER SERVICE <input type="checkbox"/> TEAMWORK <input type="checkbox"/> SPECIAL ACT <input type="checkbox"/> INNOVATION <input type="checkbox"/> CRISIS MANAGEMENT <input type="checkbox"/> OTHER: _____		
<input type="checkbox"/> THE SECRETARY'S AWARD <input type="checkbox"/> SUPERIOR HONOR AWARD <input type="checkbox"/> TIME OFF FROM DUTY AWARD <input type="checkbox"/> AWARD FOR HEROISM <input checked="" type="checkbox"/> MERITORIOUS HONOR AWARD <input type="checkbox"/> CASH <input type="checkbox"/> SECRETARY'S CAREER ACHIEVEMENT AWARD <input type="checkbox"/> FRANKLIN AWARD <input type="checkbox"/> OTHER <input type="checkbox"/> DISTINGUISHED HONOR AWARD <input type="checkbox"/> FOREIGN SERVICE AWARD FOR PUBLIC SERVICE		
RECOMMENDED AMOUNT: (Cash/Time Off Hours)	<div style="text-align: center;"> OFFICIAL USE ONLY </div>	
JUSTIFICATION FOR AWARD (Include a concise citation to be used on the award certificate. Additional sheets may be used)		
<p>Inscription should read as follows:</p> <p>In recognition of exceptional teamwork, dedication, and achievement in support of the U.S. negotiating effort that culminated in the Kyoto Protocol to the United Nations Framework Convention on Climate Change -- the treaty that began a process to protect future generations from the threat of global warming -- November 30 to December 11, 1997.</p> <p style="text-align: center;"> Angela Barber-Wilson Barbara DeRosa-Joynt Arthur Green Julie Norton Charles Parish Ken Thomas Franz Wuerfmannsdobler Peter Yeo </p>		
<div style="text-align: right;"> <div style="border: 1px solid black; padding: 2px;"> EXHIBIT CP-32.1 </div> </div>		
NOMINATED BY: (Name, Title, Signature) <i>Shirley, AS/EGC</i>		DATE (Month, Day, Year) <i>2/20/99</i>
APPROVED BY: (Supervisor's Name/Title, Signature) <i>Acting Assistant Secretary, OES</i>		DATE (Month, Day, Year) <i>MAR 18 1999</i>

PART II-ACTION		SERVICE OFF FROM DUTY AWARD - Optional - For periods not exceeding 30 days.	
BUREAUPOST APPROVAL (Name, Title, Signature)		DATE (Month, Day, Year)	
PART III-ACTION TAKEN BY JOINT COUNTRY AWARDS COMMITTEE			
<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove	DATE	REMARKS:	
CASH AWARDS ONLY - APPROVED AMOUNT			
TYPED NAME OF COMMITTEE CHAIRPERSON			
SIGNATURE OF COMMITTEE CHAIRPERSON			
PART IV-ACTION TAKEN BY CHIEF OF MISSION			
<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove	DATE	REMARKS:	
CASH AWARDS ONLY - APPROVED AMOUNT			
TYPED NAME OF CHIEF OF MISSION			
SIGNATURE OF CHIEF OF MISSION			
PART V-ACTION TAKEN BY AREA AWARDS COMMITTEE			
<input checked="" type="checkbox"/> Approve <input type="checkbox"/> Disapprove	DATE MAR 18 1966	REMARKS:	
CASH AWARDS ONLY - APPROVED AMOUNT			
TYPED NAME OF ACTING ASST. SECRETARY			
SIGNATURE OF ACTING ASST. SECRETARY			
CERTIFICATION: All Committee members reviewing this nomination have attended Diversity Awareness Training for awards committee members.			
PART VI-ACTION TAKEN BY DEPARTMENT AWARDS COMMITTEE			
<input type="checkbox"/> Approve <input type="checkbox"/> Disapprove	DATE	REMARKS:	
CASH AWARDS ONLY - APPROVED AMOUNT			
TYPED NAME AND TITLE			
SIGNATURE			
PART VII-FISCAL DATA			
BUREAUPOST BUDGET OFFICER (Name, Signature)		DATE (Month, Day, Year)	
ACCOUNTING CLASSIFICATION (Completed by BureauPost Budget Officer)		FOR GIFT CHEQUE USE ONLY	
Agency	Appropriation	Assignment	Obligation No.
Org. Code	Function	Object	Award Amount
		Obligation	Net
PART VIII-PAYROLL OFFICE INFORMATION - For Gift Cheque Use Only			
BUREAUPOST AWARDS OFFICER (Name, Signature)		DATE (Month, Day, Year)	
PAYROLL INFORMATION (Completed by FMP)			
Gross Amount	Federal Tax Withheld	State Tax Withheld	QASDI Tax Withheld
FIR Tax Withheld		Net Amount	

EXHIBIT
 CP-32.2

The Kyoto Conference in December 1997 marked a critical turning point in the efforts of nations to combat the threat of global climate change. For the first time, industrialized countries adopted legally binding targets to reduce their emissions of greenhouse gases, whose continued accumulation in the atmosphere may change irrevocably the condition of life on this planet. Simultaneously, they embraced a range of market mechanisms both to lower the costs of compliance and to encourage countries without targets to participate meaningfully in the global response to climate change.

The Kyoto Protocol, produced by the efforts of over 165 nations over an intense, two-week period of non-stop negotiations amid the glare of klieg lights, the incantations of every conceivable stripe of non-governmental organization, and intense public interest in every corner of the world, triumphed over skeptics and nay-sayers and the not inconsiderable efforts of well-organized opponents to ensure that the effort would crater.

The role of the United States at Kyoto proved not only indispensable but critical to its success. Despite the anxious warnings of well-intentioned advisers, Vice President Gore not only participated in the Conference but instructed U.S. negotiators in the critical final hours to show increased flexibility in order to reach an agreement. His appearance electrified the tortuous negotiations and focused media interest in a high stakes gamble to ensure success.

The effort mounted by the U.S. delegation at Kyoto also had few parallels. With a delegation of over 80, Under Secretary for Economic Affairs Stuart Eizenstat and Acting Assistant Secretary Melinda Kimble marshaled experts from a broad array of federal agencies and specialties to mount a multi-pronged offensive. They recognized that success in Kyoto would depend not only on the skill of U.S. negotiators but on an ability to capture the high ground early with the media, to deal sensitively and substantively with formally-constituted observer groups from the U.S. Senate and House of Representatives that included both members and staff, and to respond openly and swiftly to the incessant demands of U.S. NGOs for information and for articulation of U.S. strategy and negotiating objectives. The achievements of the U.S. delegation on each of these fronts - forged the perception that the United States dominated the Conference, and this perception of U.S. strength endured the success of the outcome.



-2-

U.S. performance overall in Kyoto depended on the efforts of a small, dedicated team that handled the logistical support, administrative and communications needs of the U.S. delegation, backstopping our negotiators and ensuring effective liaison between local staff and the delegation and between Washington and the delegation. The individuals cited herein were the unsung 'heroes' of the U.S. negotiating effort, operating as a tightly organized, well-disciplined and highly motivated team to provide an extensive range of support, literally on a moment's notice, that enabled U.S. negotiators to function with maximum efficiency and effectiveness.

In this regard, they set up and maintained several U.S. controls rooms, including the main room near the Conference site. Collectively, they found rooms for members of the U.S. delegation at multiple hotels in Kyoto, even when none were to be had; they obtained, distributed and serviced the delegations' "cell-phones" -- the life blood of the negotiators; they served as liaison with White House staff, handling their multiple support needs; they worked with USIS staff in Japan to develop and implement the U.S. press strategy; they coordinated with local staff and undertook distribution of press statements and other materials concerning the U.S. position; they worked with Members of Congress and their staffs to brief them daily, put them in touch with key U.S. negotiators, handle their support needs and organize delegation-wide briefings; they helped set up bilateral meetings for Congressional representatives, took and distributed urgent messages, prepared documents on a moment's notice for U.S. negotiators and made sure that they were provided in sufficient quantities to enable the negotiators to have major influence in various groups and at negotiations on various issues; and they helped represent the United States in the plenary sessions, carefully noting the positions taken by other delegations and reporting back to key U.S. negotiators.


The efforts of this group helped significantly to ensure that the United States not only achieved its negotiating objectives but took the lead internationally in moving forward toward a meaningful international response to the threat of global warming. They are to be commended for their professional skill, their extraordinary dedication and their exemplary achievement in producing an outcome in Kyoto that furthered U.S. policy and began a critical process to protect future generations from the threat of global warming.



See Instructions Before Completing (October 1995)

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FOR ADMINISTRATIVE USE ONLY.

 U.S. DEPARTMENT OF STATE U.S. FOREIGN SERVICE EMPLOYEE EVALUATION REPORT		NAME OF EMPLOYEE BEING RATED (Surname first) PARISH, CHARLES	
TYPE OF REPORT REGULAR <input checked="" type="checkbox"/> CAREER CANDIDATE <input type="checkbox"/> VOLUNTARY <input type="checkbox"/> INTERIM: Change of Rate <input type="checkbox"/> Duties <input type="checkbox"/> Assignment <input type="checkbox"/>		GRADE FSO-2	SSN [REDACTED]
POST OR ORGANIZATION CA/VO/LC		POSITION TITLE CONSULAR OFFICER VISA	
RATER (Type name) CA/VO/LC		PERIOD COVERED From 09/28/1996 To 04/15/1997	
TITLE: OFFICE DIRECTOR GRADE: FSO-1		REVIEWER (Type name) MANAGING DIRECTOR GRADE: FE-OC	

I. EMPLOYEE'S JOB AND WORK REQUIREMENTS (Established by Rater, Reviewer and Employee)

A. Describe the position and where it fits in the staffing pattern; indicate the number and kind of employees supervised.

This is one of eight case officers responsible for providing Security Advisory Opinions to Foreign Service posts worldwide, in the Coordination Division of the Legal Office, Visa office, Bureau of Consular Affairs. This position reports directly to the Office Director.

B. Divide work requirements into two categories, continuing responsibilities and specific objectives (including, as appropriate, professional development activities); delineate in descending priority order. Include specific requirements relating to needs of other agencies.

CONTINUING RESPONSIBILITIES

- Provide accurate, timely, and balanced security advisory opinions on visa applications from the Middle East to Foreign Service Posts worldwide.
- Establish and maintain effective internal controls over classified materials used for SAOs.
- Establish and maintain effective personal contacts with State Department offices and outside agencies which are part of the SAO process.

SPECIFIC OBJECTIVES

- Develop office procedures to handle a 100% increase in work load in Iranian cases and a 50% increase in SAO requests for other nationalities, without an increase in staff.
- Act as team leader for a secretary and a student intern assigned to the Middle Eastern portfolio.
- Direct existing computer resources to reducing paper files and records in the Middle Eastern portfolio to a minimum.

C. Describe any special circumstances influencing the work program.

SAO requirements for Iranians were expanded without prior notification, increasing Iranian work load by 100 percent. New legislation making Consular officers personally responsible for failure to submit SAOs has increased SAO requests 50 percent for other nationalities. The Middle Eastern portfolio has the highest terrorist threat level for the US in the world.

FORM
10-85 DS-1923

When completed on Foreign Service personnel, this is an efficiency report which shall be subject to inspection only by those persons authorized by Sec. 604 of the Foreign Service Act of 1980.

EXHIBIT

CP-33.1

14-00000 US-1829 Page 2

IIA. EVALUATION OF OVERALL PERFORMANCE AND ACCOMPLISHMENT (Completed by Rater)
ALL CLASSES EXCEPT SENIOR FOREIGN SERVICE

A. General Appraisal:
All classes--Performance was satisfactory or better (If no, see instructions for documenting unsatisfactory performance) ☒ Yes ☐ No

B. Discussion: Performance--strengths and weaknesses--is evaluated in terms of the six competency groups listed below. (See instructions for definitions and list of competencies within groups.) Items 1 through 5 must be addressed with at least one competency from each group. Foreign Language Competency (item 6) should be addressed for employees if mandatory provisions apply (see instructions).

1. Substantive Knowledge 2. Leadership 3. Managerial Skills 4. Intellectual Skills 5. Interpersonal Skills
6. Foreign Language Skills (complete per instructions)

SUBSTANTIVE KNOWLEDGE: During this rating period Charles developed a management system to handle a 150% increase in work load in the Mideastern portfolio, without any additional resources. He also led and coached a diverse group of employees to become an effective working unit. This shows that Charles has a good grasp of both management theory and practice.

LEADERSHIP SKILLS: Soon after taking over the portfolio, Charles realized that the unit needed better relations with various outside agencies which are involved in the SAO process. He then began to build those relations, with phone calls, office visits, and finally a lunch, which improved the working relationship significantly, and made it easier for us to expedite cases when it was really necessary. Since we have no representational budget, Charles paid for this out of his own pocket, but the results were worth every penny.

MANAGERIAL SKILLS: Seeing that his work day had expanded 150% almost overnight, Charles quickly developed some innovative solutions to his work load problems. He then had the courage to come to his supervisor - me - and tell me that he couldn't handle the work alone. (Most people wait to tell me they need help until the things have gone totally and completely to hell.) He briefed me thoroughly on the problems and made me a part of his solution. He then "sold" his co-workers on his plan, building a team to deal with the problem. His careful marshalling and management of human resources to solve an enormous work load problem showed a real understanding of what management is.

INTELLECTUAL SKILLS: One of Charles' challenges in working with outside agencies is deciding who is in charge there. Can one FBI office clear a cable, or must it go to the Director? Who has the information we need on a specific case in the CIA, and who can release it? Charles gets his job done in an interagency environment where who seems to be in charge and who really is running the show are not readily apparent. He knows who to call when we need a decision made and who can answer his question on a clearance. When he finds the right person, he communicates extremely well. He understands that these outside organizations have different cultures, and knows how to tailor his speech and writing to his audience. The result is that he maintains good relationships with some very diverse organizations and knows how to use those relationships to get what we need.

INTERPERSONAL SKILLS: Charles has a marked ability to build teams and facilitate cooperation on a common goal. He is able to gather very different people into a team, build a relationship among the individuals, and direct that group's energies to solving problems. He has the respect and affection of his co-workers. All this is amply demonstrated in his building an ad-hoc team to deal with sudden large increases in SAO work load. It is a very effective team made of of very different people. It works because Charles makes it work.

EXHIBIT
 CP-33.2

III. EVALUATION OF POTENTIAL (Completed by Rater)

A. General Appraisal: (Check block that best describes potential)

1. For Career Candidates only: Assessment of career potential as a Foreign Service Officer or Foreign Service Specialist:

- ☐ Unable to assess potential from observations to date
- ☐ Candidate is unlikely to serve effectively even with additional experience
- ☐ Candidate is likely to serve effectively but judgment is contingent on additional evaluated experience
- ☐ Candidate is recommended for tenure and can be expected to serve successfully across a normal career span

(Support your choice by discussing below the candidate's potential for successful service across a normal career span, citing examples which illustrate strengths and weaknesses in the competencies cited in Section II.)

2. For other Foreign Service employees:

- ☒ Recommend immediate promotion
- ☐ Recommend additional experience at current grade

(Discuss below the rated employee's command of skills for successful performance in positions, interfunctional and/or in employee's cone or specialty, at the next higher grade. For those recommended for additional experience, the rater additionally must describe the specific experience needed and identify the competency or competencies listed in Section II, including skills in employee's cone or specialty, which that experience will develop.)

B. Discussion:

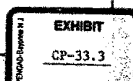
Charles Parish is a swamp-drainer. Although that isn't a glamorous image, it's what Foreign Service managers should do, but mostly don't. Put into an impossibly busy job, where there are problems in all directions, most Foreign Service managers work overtime and weekends to answer cables, finish cases, and "get the work out." They attack the symptoms - the alligators - rather than with the fundamental management problem - the swamp. Charles was thrown into the Middle Eastern portfolio swamp without any experience in the region, or any training in the computer systems we use or the work we do. Changes in law and SAO requirements increased the work load about 150 percent overnight, in a region that has more active terrorist threats than any other. The office lost one full time position, and no new resources were available. Alligators in all directions. When he saw the problems, Charles reacted like a good manager should. He identified the fundamental problems - office procedure, wasted resources, lack of organization, poor coordination with outside agencies - and found long term solutions to them. He came up with a new filing procedure that made controlling cases easier, got training on unused computer systems that saved time and effort, and took time to meet and develop contacts in outside agencies. The problem with long term solutions is that they take time to implement - in the meantime the alligators kept biting Charles - and his boss. Posts kept asking him - and me - about delayed answers to SAOs. Despite the pressure, Charles kept putting most of his time where it would do the most good, into permanent solutions to the portfolio's problems, not casework. This perseverance in the face of extreme adversity demonstrated good judgement and a strength of character that is unusual. In the longer run, the reforms took effect. Output increased, and the backlog disappeared - permanently and without overtime. We still have a few alligators around, but they are a vanishing species in the Middle Eastern portfolio. Alligators get scarce when the swamp is disappearing - problems are reduced when a good management system is in place. And when "Crocodile" Parish is running the show.

Charles Parish is a leader. As part of the solution to sharply expanded work load, he arranged to have one GS secretary and a student intern assigned to the Middle Eastern portfolio. He has built this unlikely team into an effective unit by developing their skills, strengthening teamwork, and encouraging them to contribute to their full ability under very challenging circumstances. Making this group successful shows how aware Charles is of diversity in the workplace, and how skilled he is in managing it.

Charles Parish is working like an O-1 now, and should get paid for it. Which is why he should be promoted

C. Areas for improvement: The following must be completed for all employees. Employees should be made aware of areas where they should concentrate their efforts to improve. Based on your observation of the employee in his/her present position, specify at least one area in which he/she might best direct such efforts. Justify your choice. (The response is not to be directed to need for formal training.)

Charles is much more interested in management and in his people than in "substance." The fine points of the law, the precedent cases on key SAO issues, the nitty-gritty details of how we do our work leave him pretty cold. Charles needs to recognize that he will be a better manager if he fully understands the process and can fully appreciate what it takes to produce a good SAO on a complicated issue. A better grasp of the specialized skills that go into this business would serve him well.



FORM DS-1820

Page 5

IV. RATING OFFICER'S COMPLIANCE STATEMENT

Work requirements were established by rater, reviewer, and employee on 10/20/96(If applicable, requirements were revised on N/A)

Employee's performance was discussed (candidate was counseled) on the following dates:

1. 12/11/96 2. 3/14/97 3. _____ 4. _____

In the case of an unsatisfactory performance rating, this is also to certify that the requirements of 3 FAM 521.2a (tenured employees), 3 FAM 559.5(2) (employees subject to administrative promotion), or 3 FAM 578 (FSO Career Candidates) have been met.

Date Rating Completed 5/2/97 Rater's Signature [Signature]

V. REVIEW STATEMENT (Completed by Reviewer)

A. Discussion: Give your assessment of the employee's performance and potential (if a career candidate, overall potential to serve effectively at all levels across a normal career span, including FS-1 if an FSO candidate). Independent observations on performance and potential should be supported by providing additional examples of performance observed this rating period. Note differences with the rater's appraisal or recommendations. Comment on relations between rater and employee.

Charles Parish has done an excellent job in what is one of the least known or understood, yet most important parts of the Visa Office. The Coordination Division is the part of VO that coordinates with the intelligence and law enforcement communities the handling of the most sensitive visa applications, those from persons suspected of terrorism, espionage, or other serious threats to U.S. national interests. The job requires a thorough knowledge of the applicable sections of immigration law and visa regulations, interpersonal and bureaucratic skills for dealing with the other agencies, and a keen sense for the political and policy implications of individual visa cases. As the rating officer has accurately described, Mr. Parish possesses all of these qualities in good measure. I strongly endorse the rater's praise for Mr. Parish's performance and the recommendation for promotion.

As the rater points out, even in an office fraught with sensitive issues and cases, the Middle Eastern account, which Mr. Parish handled, is the most challenging of all. That certainly was true during this rating period when the sudden imposition of a new clearance requirement for all visa applicants from Iran, more than doubled the caseload overnight. The rater rightly praises Mr. Parish for his "big picture" approach to this situation. Despite pressure from Congressional offices, high levels of the Department, and overseas posts for the special handling of individual cases, Mr. Parish refused, as the rater terms it, to grapple with the alligators. Instead he took the wiser approach of finding systematic and organizational cures for the situation -- draining the swamp. Mr. Parish indeed deserves high praise for his success in that regard. We have been very well served to have him handling this key portfolio at a very difficult time.

The rater also accurately described the difficult interagency environment in which the Coordination Division must function. Each agency has its different priorities and agenda, and some view the visa function as process rather than as substance. To succeed in this environment, as Mr. Parish has done, requires great skill at negotiation and communications, as well as persistence.

Mr. Parish's affability and sense of humor have made him a very welcome presence in a division that frequently was short-staffed and overworked during the past year. We've been very lucky to have him.

Relations between Mr. Parish and the rating officer were excellent.

B. Reviewing Officer's Compliance Statement:

After reviewing this report carefully, I consider it to be complete, in conformance with the instructions, and adequately documented by specific examples of performance.

Date Section V Completed 05/05/97Reviewer's Signature [Signature]

EXHIBIT

CP-33.4

Page 6

VI. STATEMENT BY RATED EMPLOYEE

A. Discussion: This section is intended to provide the rated employee's views on the period of performance appraisal and on career goals and objectives. You must comment on your most significant achievements during the period. You also may wish to address activities or problems which may not have been adequately covered in this report, or aspects of the appraisal which may need clarification or correction. You are encouraged to state your current career goals including training and assignments desired over the next 5 years. (Continuation sheets may be used.)

Having to use existing resources to manage a substantial increase in workload was the greatest achievement of this marking period. Key to the success of my efforts was the ability to form good working relationship with diverse agencies and individuals, both inside and outside the department. These negotiations led to a healthy climate of mutual understanding and cooperation that was key to my ability to manage the portfolio effectively without additional resources.

After serving my entire career in overseas assignments I can say that this department tour has greatly added to my understanding of the functioning of the foreign service command structure. I feel that I have a much broader picture of the diverse criteria and the bureaucratic necessities that are necessary to arrive at decisions in a variety of seemingly unrelated issues. The "Big Picture" perspective will serve me well in future assignments.

I would also like to say that serving in Washington, D.C. has given me the opportunity to address my felt need for lack of familiarity and competence with modern computer systems. I have completed a number of basic computer courses at NFATC and I now feel confident of my ability to use the PC's and MS software that any FSO can expect to find in place in our missions overseas or here in Washington, D.C.

B. I acknowledge receipt of a copy of this report.

Date Section VI Completed 5/14/97 Charles M. Panush
Employee's Signature

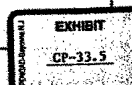
VII. REVIEW PANEL STATEMENT (Completed by Review Panel)

A. Examples of Performance: Specific examples have been provided to support the ratings given the employee. Yes/No, return to rating for review.

B. Certification: This report has been prepared according to the regulations and contains no inadmissible material.

4/30/97 [Signature] [Signature]
(Date) (Panel Chairperson's Name) (Typed) (Signature)

C. Comments: If submitted late, indicate who is responsible for delay.



Embassy of the United States of America



January 3, 1997

Sensitive But UnclassifiedMemorandum

To: The DCM - [

From: NIV Unit Chief - [

Subject: Fraud Work and Visa Work Flow

Your attached correspondence raises excellent questions that should be addressed. The basic answers to your two questions are 1) yes, I do believe that some DSB employees (especially those driving cars on DSB salaries) could very well be receiving gratuities for influence-peddling, although I have no proof; and 2) yes, I believe that, despite its utility to us, as [] pointed out in her excellent cable (96 Chengdu 3283), the "waiban" system has been corrupted and is used at times for fraudulent purposes. [] the Anti-Fraud officer, can provide specific examples of malfeasance in the Beijing waiban system.

The essential question, however, is "What do we do about it?" As you are aware, nonimmigrant visa work involves a delicate balance between meeting customer needs and protecting U.S. border security from fraud and malfeasance.

I assumed my present position because my predecessor suddenly curtailed, under a cloud of suspicion but with no wrong doing definitively ever proved. No follow-up inquiries or investigation team ever came from the Department -- not from DS, CA, or the IG office. Additionally, it took six months of continued pressure on my part to have a security interview conducted (in late October -- Charles left in May) with Yang LiPing, Charles' former secretary, partner on trips to America, and presumed accomplice in whatever, if anything, went wrong. I felt this interview was essential, if for no other reason than for appearances' sake with the other DSB employees. In sum, the lack of bureaucratic follow-up on this investigation has left the Vice Consuls in the NIV unit cynical and somewhat demoralized. As a manager responsible for the career development of more junior officers, I find this disquieting, as I have discussed with [] especially since despite the stress of an ever-expanding work load, the Vice Consuls are all doing a commendable job.

B

DC

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DC

AC

DC



-2-

Sensitive But Unclassified

Since I've been here, the emphasis, starting with [D.
has been mainly on the service, rather than the
investigative, aspects of the job -- and escalating work
load requires this, if we are to keep our heads above
water. I have no problem with this, in that I believe in
a "serve the people" approach in public service
positions. Additionally, with the expected explosion in
NIV applications resulting from travel document reform in
China, we will be sticking our finger in the dyke by
summer just to meet work load demands. I note, however,
that the poison pen letter on NIV influence peddling here
allegedly also went to the San Francisco Examiner. If a
major Chinese visa scandal blows up in the press, the
Embassy does not want to be left in a position of holding
the bag because of emphasis on service over fraud
prevention.

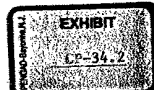
The old saying "no pain, no gain" applies here. We simply
do not have the staff or resources to continue, especially
with numbers escalating, to provide next day NIV service
and, at the same time, to address the fraud issue with the
seriousness it apparently warrants.

Korea, where I have worked for eight years of my foreign
service career, has had three major visa busts in the last
two decades. In the seventies there was Seoul police
involvement in manufacturing phoney police clearances for
immigrant visa applicants. In the eighties, fraud came
out of the four ROK government-designated visa broker
offices, located across the street from the American
Embassy. The political problem there was that people of
influence, including relatives of then First Lady Lee
Soon-Ja, had invested in the broker houses. Today, a
third clean-up, in the NIV section with reported American
*~~officer~~ involvement, is taking place. I mention these
examples simply to show that opening the door on the fraud
issue can produce a political can of worms. Seoul took a
lot of public and political heat to clean things up, but
their experience proves it can be done with sufficient
resources and the commitment of management.

In conclusion, I stand ready to carry out whatever
priorities you and I designate. However, the DC
message myself and the NIV officers are receiving -- given
the lack of follow-up on the Parish case, etc. -- is that
service and speed of production take precedence over fraud
and malfeasance considerations. A serious approach to
investigating business and student visa fraud would
require a slowing down of processing for some legitimate
travelers. The question is: Are we prepared to pay that
price?

cc: CG[

* ACTUALLY NOT AN OFFICER, BUT A FAMILY-HIRE DC
US CITIZEN EMPLOYEE.



Memorandum

DATE: January 15, 1998
 TO: CG J
 FROM: NIV J
 RE: Visa Fraud and Damage Control

DC

We are about to be hit with a media earthquake. When CNN and/or the LA Times run their pieces on visa fraud in China (and possibly Charles Parrish) the Consular section will be overrun with Western journalists looking for a new angle on the story. At this point we cannot prevent this from happening -- nor should we, given the almost sacred place which press freedom holds in our culture and in our laws. What we can do is put into effect some damage control measures before the earthquake hits. The old adage "Caesar's wife must be above suspicion" applies here -- both impropriety and, equally important, the appearance of impropriety must not be apparent. That calls for revising some of the ways visa business is conducted within this Embassy.

I strongly urge the immediate implementation of the following measures:

- the Country Team be informed that the blue referral (noninterview) system may not be used for any case involving a prior refusal. Yellow referral forms with interview should be used in those cases.
- As U.S. citizens are being offered money to escort applicants (if Yuri and Tara could find this out, a good journalist in Beijing can as well) we inform all Americans, official as well unofficial, that those escorted must wait their turn in line and that escorted reconsideration cases can only make application after first time cases are screened -- at approximately ten thirty.
- that the Embassy request that the Chinese government, given the sensitivity of visa fraud issues in the United States, investigate what is going on at the shop across the street, including the preparation of the daily list and whether any money changes hands in that process. We should include in the request that this operation be shut down if it is determined that money changes hands.
- Reiterate at Country Team our "red door sign" policy of no contact between Embassy staff and our DSB and American staff on visa questions -- all queries should come to you, me or Fat.
- Include in the one-day waiban conference with Chinese officials a discussion of the need to reform the waiban system and so inform the Country Team.



Today we had the following examples of likely widespread visa malfeasance at our very gates: 1) the U.S. citizen, originally from Taiwan, who was told to return this evening to "register" his applicant on the list; 2) the posting on our outside bulletin board of an advertisement, with phone numbers, promising services to facilitate visas; and 3) a tampering with a yellow pickup form submitted by the waiban system.



NOTES FOR 10/23/97 MEETING WITH HEAD OF INSPECTION TEAM

We would like to raise the following points to illustrate and clarify the role of our immediate supervisor, [redacted]. During the Consul General's absences, [redacted] as acting-CG was responsible for key management decisions. Indeed, the vice consuls have found [redacted] to be an exceptionally responsive manager, often in the face of conventional wisdom or reluctant inertia to act. For example:

DC

Fraud

(1) For several months previous to his removal, a DSB employee named Da Cheng was brought to the attention of the CG by the vice consuls. The DSB employee was widely reputed to be involved in acts of visa malfeasance. No action was taken until Halpin, as acting-CG, fired Da Cheng in April 1997.

Moreover, for about one year, one of the vice consuls regularly wrote memos, including at least one to the DCM in December 1996, concerning local employees involved in malfeasance and that larger issue of fraud in general. His concerns were ignored by virtually all of management, with the exception of [redacted].

DC

(2) Among many incidents contributing to low morale among the vice consuls were those involving allegations that the former NIV line chief was involved in visa malfeasance. Several of the vice consuls at that time raised the issue with the then-CG. Instead of being investigated, the incident appears to have been deemed closed when the former NIV line chief was transferred back to Washington, DC, where he was received a merit pay increase. The NIV line chief was also alleged to have been assisted in acts of visa malfeasance by a DSB employee. When [redacted] assumed the role of NIV line chief, he requested that the RSO interview the DSB employee in question. Despite Halpin's repeated requests for action, the DSB employee was not interviewed until four months after the former NIV line chief's departure from post.

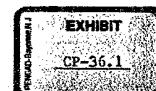
DC

Moreover, [redacted] repeatedly told the current CG that allegations of malfeasance and subsequent apparent lack of action on the matter were seriously demoralizing the vice consuls. He stated that management's apparent lack of action would likely result in the resignation of the two vice consuls who resigned earlier this year. In fact, both vice consuls cited this incident as major factors in their decision to leave the Foreign Service.

WORK LOAD

While visa applications have skyrocketed over the past five years, staffing has not increased commensurately. During this past summer, the three vice consuls routinely interviewed 500-600 applicants per day, from 8:30 a.m. to about 2:30 or 3:00 p.m., with no small breaks or lunch until interviews were completed. Although the vice consuls expressed concern about the stressful nature of interviewing hundreds of applicants for six hours without a break, no action was taken to ameliorate the situation until [redacted] as acting-CG, instituted procedures for limiting and controlling the volume of applicants. Similar to practice in other major "visa mills," all first time applicants arriving before 11:00 a.m. are interviewed. Depending on the day's number of applicants, previously refused applicants are then interviewed immediately following completion of interviews for first-

DC



time applicants, or are asked to return after lunch. These measures have resulted in a more orderly and less stressful work load for the vice consuls, with little or no decrease in the number of applicants interviewed.

MORALE

Given that three of the four interviewing consular officers are of non-European heritage, prejudice has emerged as a problem. Although the issue was raised in at least two staff meetings, again no action was taken until [redacted] as acting-CG, raised the issue at country team. Only then did management acknowledge the existence of this problem and agree to cooperate to address it.

DC

[redacted] responsiveness to these and other issues faced by the consular section have contributed to a halt in the declining morale of the section as it continues to manage an increasing workload with inadequate resources.

DC



It was suggested that I apply for the vacancy created by the sudden curtailment, under the warning of withdrawal of confidence by the Ambassador, of the Nonimmigrant Visa Unit chief. While no investigation was ever conducted into the allegations concerning the conduct of my predecessor, the problems in the visa section in Embassy Beijing were so widely known in the spring of 1996 that the controlled Chinese press, via a magazine article (Attachment F), presented a detailed report on the subject. In addition, among the alleged transgressions pointed to regarding my predecessor was his social relationship with political fund-raiser Johnny Chung. While, in fairness, nothing concrete was ever proven concerning my predecessor's conduct, I must question a personnel system which, one year after curtailment under pressure, presented this officer with a meritorious step increase while low ranking me, the very person who is acknowledged as having rectified for the Department a seriously flawed situation, and threatening me with the possibility of premature selection out. I implemented a number of management-driven improvements upon my arrival in my new position which were chronicled by the Vice Consuls in a summary they presented at a meeting with a representative of the Office of the Inspector General which recently completed an inspection of Embassy/Beijing (Attachment G).

