

COVER STORY

The New Influencers

While the U.S. was focused on investigating Russian interference in U.S. politics, China was plotting its own campaign to influence the young Trump administration. It got uncomfortably close.

BY DAVID BARBOZA — APRIL 18, 2021



Illustration by Luis Grañena

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Elliott Broidy was riding high after Donald Trump's election day victory in 2016. The Los Angeles businessman had been one of Trump's top fundraisers during the campaign, helping raise more than \$150 million for the Republican Party. And as a reward, he was soon named deputy finance chairman of the Republican National Committee and vice chair of the Presidential Inaugural Committee.

For the barrel-chested and mustachioed Broidy, this represented something of a comeback. While he had served as finance chairman of the RNC from 2007 to 2008, and had once hosted a [fundraiser](#) at his Bel Air mansion for President George W. Bush, Broidy's reputation had been tarnished in 2009, when he was accused and pleaded guilty to [paying kickbacks](#) to gain business from a New York state pension fund. He more or less laid low for seven years.

But with Trump in the White House, the 59-year-old Broidy was once again a force in the Republican Party.

"He was on the right side of this thing," a close friend says of his standing, post-election 2016. "Not many people thought Trump could win. And so for Elliott it was kind of a new day; he also had the opportunity to develop a lot of new businesses."

Broidy's proximity to Trump made him a man in demand — especially abroad.

Just weeks after Trump's inauguration, one of the most infamous fugitives in the world reached out to Broidy looking for help. Jho Low, the Malaysian financier accused of embezzling billions of dollars from 1MDB, Malaysia's sovereign wealth fund, was facing an Interpol red notice for his arrest and a civil forfeiture case pending before the U.S. Department of Justice (DoJ). Broidy, Low hoped, could make the DoJ case disappear.

Although Broidy was reluctant to get involved, Low's offer of a guaranteed \$8 million retainer fee — and \$1 million in cash for an initial meeting in Asia — appeared to sway him.¹ Broidy flew to Thailand to meet Low at the Shangri-La Hotel in Bangkok in early May and returned to Asia a few weeks later with his two American partners — the GOP fundraiser Nickie Lum Davis and the musician and businessman [Pras Michel](#) — to meet Low again, this time in China.²

In the booming coastal city of Shenzhen, just across the Hong Kong border, the Americans were joined by an unlikely figure: [Sun Lijun](#), a Communist Party member and a high-ranking official at China's Ministry of Public Security (MPS), an agency that has police and intelligence capabilities.³

"This was a very important guy," says [Christopher K. Johnson](#), a former U.S. intelligence analyst and expert on elite Chinese politics at the [China Strategies Group](#), a consultancy. "At MPS, Sun was handling domestic leadership security" — a sign of his elevated status with the country's top leaders in Beijing.

In a hotel suite in Shenzhen, a sensational and far-reaching plot was hatched. The three Americans⁴ agreed not only to secretly lobby the U.S. Justice Department to drop its investigation of [1MDB](#), but also, at the behest of the Chinese security official, to press the White House and President Trump to extradite a fugitive Chinese billionaire who was living in New York City. The man, [Guo Wengui](#), had been accused of corruption and fleeing China by Beijing. And he had been using American social media platforms to harshly criticize the Chinese Communist Party, angering Beijing's leaders. If Broidy and his two American fixers could pull off both elements of the scheme, Low promised to pay them as much as \$83 million in cash.

“The Chinese government is pretty good at identifying people who can reach the highest levels of the U.S. government.”

— *Minxin Pei, authority on Chinese politics at Claremont McKenna College in California.*

Whether or not the Americans recognized it, Low's deal amounted to a foreign influence operation, aimed at the highest level of the U.S. government. By actively lobbying or advocating for a foreign national or foreign power on political matters, the Americans were obligated to register as "foreign agents" under an obscure 1930s-era law called the [Foreign Agents Registration Act](#), or FARA. The U.S. law was intended to shed light on foreign influence operations aimed at the U.S. government or the American people.

While Low's motivations in the scheme were obvious, China's interest was more nebulous. Beijing had been trying to deepen its relationship with the government of the Malaysian prime minister Najib Razak, who had been implicated in the 1MDB scandal, and coming to his aid might strengthen relations between the two countries. But China had other interests as well in cooperating with Low and the three Americans.

The country's leaders were preparing for the [19th Party Congress](#) in October of 2017, and the return of Guo Wengui, the Chinese fugitive, had emerged as a priority. President Xi Jinping was apparently worried that Guo — who may have [fled the country](#) with sensitive

political information about China's leaders — could disrupt Beijing's proceedings by publicizing allegations of high-level Party corruption. Since Beijing has no extradition treaty with Washington, the only conceivable way to get Guo back from the U.S. was to appeal to President Trump, through an intermediary. That's where Broidy came in.



President Donald Trump and First Lady Melania Trump posed with Chinese President Xi Jinping and his wife, Peng Liyuan, in Florida in April 2017.

Credit: Official White Photo by D. Myles Cullen

“The Chinese government is pretty good at identifying people who can reach the highest levels of the U.S. government,” says [Minxin Pei](#), an authority on Chinese politics at Claremont McKenna College in California. “There are also a lot of business tycoons that travel to China, so the Chinese government can easily take advantage of opportunities for contact.”

In Broidy and the two other Americans, China had found its mark. The three agreed to the scheme, but none of them chose to register under FARA — even though, back in the U.S., the American public was growing increasingly familiar with the phrase “malign foreign influence,” thanks to the F.B.I.’s investigation into Russia and election meddling. As U.S. authorities were looking into whether members of the Trump campaign had contact with senior [Russian intelligence officials](#), Broidy himself was meeting with a senior Chinese security and intelligence official.

But while Russia has been known to use social media trolls, cyber attacks and disinformation campaigns to engage in foreign influence and interference efforts, analysts say China likes to employ leverage with wealthy business people and big dollops of capital.

“The Chinese government is fairly comfortable with this sort of thing. It’s just institutional corruption,” [Bill Bishop](#), a Washington-based expert on China and the author of the China-focused newsletter [Sinocism](#), says of the Broidy deal. “This was a fairly clumsy attempt to do what a lot of foreign governments do in Washington: they find someone to pay to gain influence.”

In this case, the covert operation was set in motion as soon as Broidy returned to the United States — and it had help from another Washington insider. [George Higginbotham](#), a 44-year-old lawyer employed at the U.S. Department of Justice, had agreed to secretly route Jho Low’s huge cash payments — tens of millions of dollars — from offshore accounts in Asia into the U.S. financial system, by deceiving banks about the use or purpose of those funds.

Although Higginbotham had no role in the DoJ’s investigation of Low and 1MDB, his involvement in the scheme highlights its surprising bonafides. Indeed, as the operation unfolded, it involved everything from soliciting Reince Priebus, the White House chief of

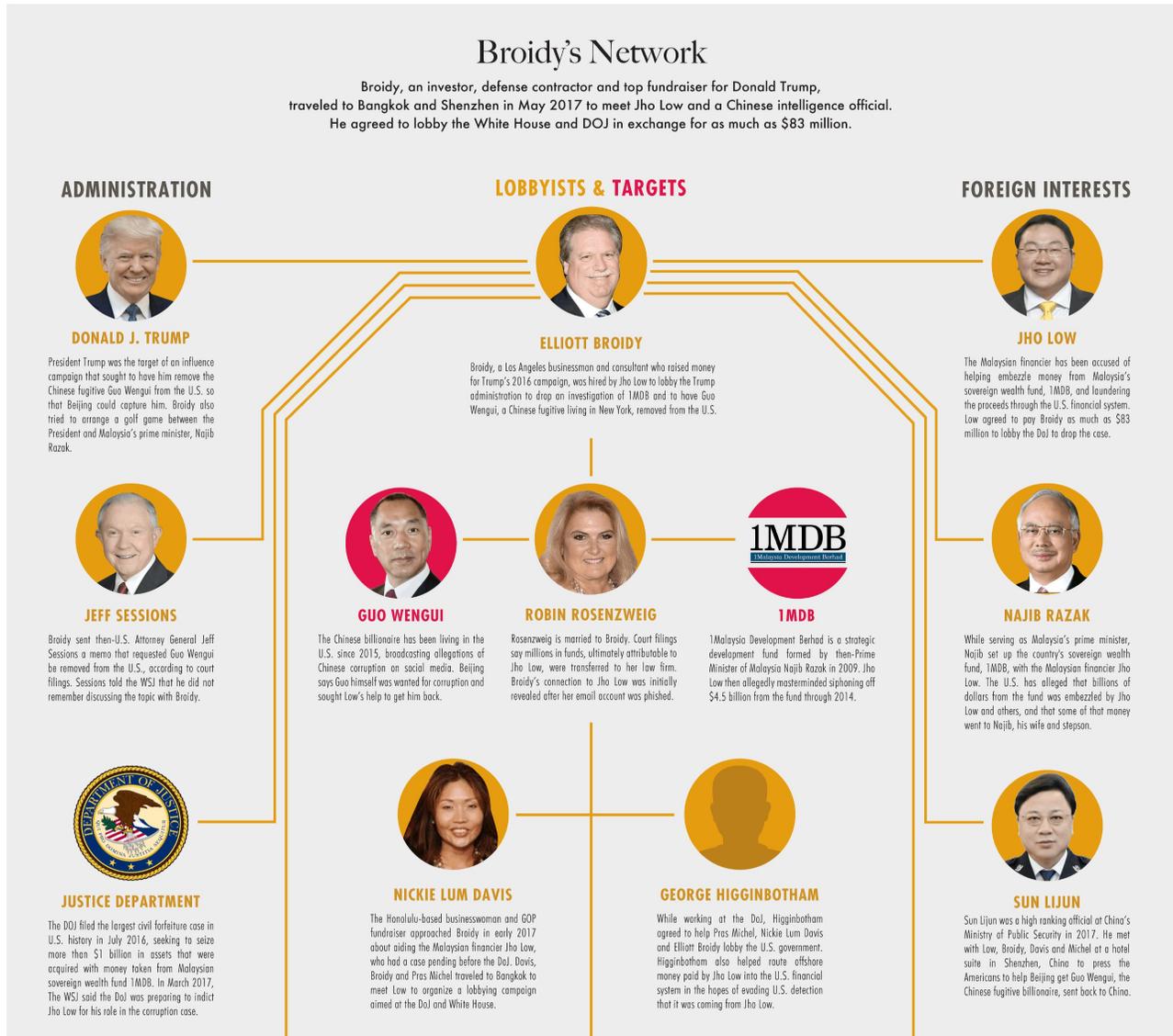
staff, and sending “talking points” to the U.S. Secretary of State Rex Tillerson, to appealing to Steve Wynn, the casino tycoon and a major GOP fundraiser, in the hopes of persuading President Trump to dismiss the 1MDB investigation and extradite Guo, according to interviews and documents in the case.

And Broidy may have been just one cog in a very large Chinese influence machine. According to those familiar with the early days of the Trump administration, there was a parade of influential American business executives coming through the White House lobbying the President to extradite Guo Wengui (aka Miles Kwok) to China.

“The pressure on the White House from the beginning to return Miles Guo was intense, and clearly coordinated with the senior levels of the CCP,” says [Stephen K. Bannon](#), who was in the White House at the time and has since become a friend and partner with Guo. “Xi and [Wang Qishan](#) were in direct communication with the people driving these efforts.”

Now, Broidy too would be involved. On his return trip from China, records show, he excitedly texted his co-conspirator, Nickie Lum Davis, the GOP fundraiser and Honolulu businesswoman who had helped broker the deal. “I’ll try to make this a big week for us with [the Attorney General, Jeff Sessions.]”

And so it began.





DEPARTMENT OF HOMELAND SECURITY

Broidy attempted to set up a meeting between a Chinese government official and the Secretary of Homeland Security in May 2017, according to U.S. officials.



PRAS MICHEL

The former Fugees rapper and businessman was a close friend and business partner of Jho Low. In early 2017, he contacted Davis and Broidy about helping Low resolve his civil forfeiture case with the DoJ. He also traveled to Thailand and China with Davis and Broidy to meet Low and a Chinese security official.



STEVE WYNN

Wynn is a casino and resorts magnate with properties in Las Vegas and Macau who once served as the Republican National Committee's finance chair. Wynn allegedly twice asked President Trump if he would consider extraditing Guo Wengui in 2017.



XI JINPING

Xi's anti-corruption campaign led to the downfall of an intelligence official close to Guo Wengui, who fled abroad and settled in New York. Xi sought to have him extradited and sent back to China.

Some of the individuals' actions described here were detailed in DoJ case filings and anonymized. Reporting by outlets such as the Wall Street Journal identified the involved parties.

Sources: Department of Justice filings, news reports; Design by Hiram Henriquez

THE 'SUNSHINE LAW'

America's defenses against foreign influence, it turns out, are not particularly strong. When the Foreign Agents Registration Act was signed into law by President Franklin Delano Roosevelt in 1938, its aim was not to prevent foreign government lobbying but to put Americans on notice when their fellow Americans were spreading foreign-sourced propaganda.

At the time, lawmakers worried that Nazi, communist and fascist propaganda threatened to erode American values and undermine the democratic process. But rather than banning such activity altogether — and putting limits on free speech — Congress came up with a compromise. Lawmakers crafted a bill aimed at shedding light on who was actually behind the foreign propaganda efforts by forcing those deemed to be “foreign agents” to register with the State Department. It was, in effect, a sunshine law, an insistence on greater transparency.

And yet FARA was never really used. Although it was broadened to cover lobbying or “advocacy” work, the statute remained vague about who exactly was required to register as a foreign agent and what sorts of activities would trigger the need to register. Perhaps for that reason, among others, it was rarely enforced, even after oversight was transferred to the Department of Justice. In fact, the DoJ pursued just seven cases linked to FARA violations between 1966 and 2015, according to a [2016 report](#) by the DoJ's Office of the Inspector General. “Foreign agent” registration filings, moreover, plummeted after 1991, following the end of the Cold War. Few lobbyists for foreign interests seemed to take the measure seriously.

“You have to remember the context of the original law: it was passed to deal with Nazi and communist propaganda, and so FARA registration was not at the forefront of people's minds,” says [Claire Finkelstein](#), a legal scholar and founder of the [Center for Ethics and the Rule of Law at the University of Pennsylvania](#). “Also, it wasn't very effective. It's difficult to prosecute. There's no civil investigative authority. It can't even be used to issue subpoenas. And most of the time, you could cure a FARA violation by just registering.”

During our audit, we found that the number of active FARA registrations peaked in the 1980s, with a high of 916 active registrations in 1987, and began to fall sharply in the mid-1990s. The Department has not performed an analysis on the decline, but NSD officials speculated that the imposition of FARA registration fees in 1993 and the passage of the Lobbying Disclosure Act (LDA), which carved out a significant exemption to FARA in 1995, were likely factors. In addition to the declining trend in registrations, we also found that there historically have been very few FARA prosecutions. **Between 1966 and 2015 the Department only brought seven criminal FARA cases** — one resulted in a conviction at trial for conspiracy to violate FARA and other statutes, two pleaded guilty to violating FARA, two others pleaded guilty to non-FARA charges, and the remaining two cases were dismissed. We were also told by NSD that the Department has not sought civil injunctive relief under FARA since 1991.

Credit: [U.S. Department of Justice's Office of the Inspector General](#)

Perceptions about the law changed, though, after reports of [Russian meddling](#) in the 2016 presidential election made “foreign influence” a much more proximate threat. The F.B.I. found that members of Trump’s inner circle, including Paul Manafort, Michael Flynn and Richard Gates — all of whom had served on the campaign — had contacts with or received payments from foreign governments, such as Ukraine, Turkey and Russia. Investigators determined that they had failed to disclose those ties or register as foreign agents, working at the behest of foreign principals.

Prosecutors dusted off FARA with a vengeance: in the past four years, DoJ has pursued at least ten FARA violations.

“After 2016, the DoJ and the media began paying more attention to the statute, and that’s changed things,” says [Mike B. Wittenwyler](#), an expert on FARA at the law firm Godfrey & Kahn. “Now, DoJ’s FARA unit is letting people know where the lines are; if you’re working for a foreign government, there’s no exception. You have to register.”

And yet, even as Russia captured bigger headlines, there were signs that China was also seeking influence in Washington. In January 2017, for instance, *The New York Times* [reported](#) that shortly after the election, Jared Kushner, the president-elect’s son-in-law and advisor, had held a meeting with the Chinese billionaire Wu Xiaohui, to discuss a joint venture involving 666 Fifth Avenue, one of the Kushner family’s biggest holdings. Soon after came a [report](#) that Anthony Scaramucci, who Trump had just named as his White House liaison, was selling his investment firm, SkyBridge Capital, to the HNA Group, a politically connected Chinese conglomerate. And, although it was not fully reported until 2018, we now know that in 2017, a [Chinese firm with military ties](#) approached the son of outgoing Vice President Joseph Biden, offering generous terms to co-invest in infrastructure projects in the U.S.

That push, not to mention Beijing’s longstanding practice of pressing American businessmen to lobby Washington in exchange for the promise of greater access to the China market, hint at a quiet and concerted effort by China to influence American politicians and secure a foothold in the Beltway. It’s a style of foreign influence, analysts say, that contrasts sharply with Russia’s approach.

“The Chinese government is much more subtle,” says Pei, the scholar at Claremont McKenna. “I don’t hear about the Russians using the leverage of business interests as much, probably because their companies are not as global.”

Given the growing scrutiny of foreign influence operations in the U.S., why didn’t Broidy and his partners register with the Justice Department in the spring of 2017? Elliott Broidy could not be reached for comment for this article. But a person close to him says Broidy claims he saw no need to register since he was working for a foreign individual, Jho Low, and not a foreign government. (Legal experts, however, say the law applies to American citizens working for foreign governments and “foreign principals” engaged in what may be deemed political activity in the United States.)



Paul Manafort (center) arriving at court for a status update hearing in February 2018.

Credit: Victoria Pickering, [Creative Commons](#)

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There may have been other reasons, as well, for their failure to register. In March 2017, at just about the time that Broidy was contacted by Jho Low, [Open Secrets](#), a website run by the [Center for Responsive Politics](#), released a new online feature called “[Foreign Lobby Watch](#),” making it easier than ever to call up the names of Americans and foreign principals who were registered and complying with the law. Had Broidy registered, the database would have ensured that what some call the “foreign agent” stigma was firmly attached to him — likely undermining his ability to lobby the White House and federal agencies.

“The Manafort and Flynn trials triggered a lot of changes,” says [Anna Massoglia](#), a researcher at the Center for Responsive Politics in Washington. “That prompted many operatives to reconsider whether their activities might require registration, leading to a lot of new filings, some even 10 years after those activities took place.”

Registering also requires disclosing details about who you are working for and who in the administration is being lobbied. And given Jho Low’s notoriety, Broidy likely wanted to avoid any association, insisting instead, according to DoJ filings, that the money he was being paid not come directly from Jho Low — and that it be “clean.”

But when it came to doing business with Jho Low, federal investigators suggest, nothing was clean.

‘BILLION DOLLAR WHALE’

In early March 2017, Nickie Lum Davis, a consultant and GOP fundraiser based in Honolulu, got a call from the musician, entrepreneur and former Fugees rapper Pras Michel with an urgent — and potentially lucrative — request. Michel needed to locate someone with close ties to the Trump administration to help out a foreign client and longtime friend.



Musician Pras, pictured in 2018, was also embroiled in the scheme. Credit: Slaven Vlasic/Getty Images

Davis knew just the person: Elliott Broidy, who was a major GOP fundraiser, vice chair of the Republican National Committee’s finance committee and strong backer of President Trump. Who could be better?

A discussion ensued. Davis told Broidy there was a Malaysian in need, and sent over some details about Low’s civil forfeiture case pending with the U.S. Justice Department. Broidy, intrigued by the offer, agreed to have his assistant send photographs that offered proof of his close ties to President Trump

and other high-ranking administration officials.

Within two weeks a deal was struck. And by May, Broidy was traveling to Bangkok with Davis and Michel to meet Jho Low, who by then was an international fugitive, wanted for his involvement in the 1MDB scandal and a major target for the DoJ.

Low’s alleged crime was audacious. In 2009, at the direction of Malaysia prime minister, Najib Razak, a 28-year-old Low — a Wharton School graduate — set up a state investment fund known as 1Malaysia Development Berhad, or 1MDB. The sovereign wealth fund was

supposed to channel the nation's savings into projects aimed at bolstering the economy of the tiny southeast Asian country.

Instead, Low helped the fund raise billions of dollars and then diverted some of the proceeds into offshore accounts that he controlled. According to Loretta E. Lynch, President Obama's Attorney General, the 1MDB fund ended up being treated like a "[personal bank account](#)" for corrupt officials and 1MDB staff, who siphoned off money to purchase high-end real estate in New York, Los Angeles and London, private jets, office buildings, art masterpieces by Van Gogh and Monet, and even a \$250 million mega yacht called "Equanimity."

By the summer of 2016, Low's decadent lifestyle was already the stuff of legend in Hollywood, Vegas and on Wall Street. With his cherubic face and rimless glasses, Low was masquerading as the scion of a wealthy Asian family and was known to plunk down millions of dollars gambling and to pay top dollar to have celebrities like Jamie Foxx and Britney Spears perform at his glitzy bashes. He even bankrolled a Hollywood studio — Red Granite Pictures — which produced the 2013 Martin Scorsese film, "The Wolf of Wall Street," starring Leonardo DiCaprio.



The DOJ traced spending of 1MDB funds to artwork, expensive properties, and a private plane.

Credit: [DoJ](#)

But with no clear source for the enormous wealth he seemed to harbor, he eventually attracted attention from the press in Malaysia, London and the United States. And by 2016, U.S. authorities were taking action, seizing more than \$1 billion in assets that had been stolen from 1MDB and laundered through the American financial system.

Speaking at a [press conference](#) on July 20, 2016, Lynch said it was the largest civil forfeiture case in American history and that the 1MDB prosecution would "send a signal that the Department of Justice is determined to prevent the American financial system from being used as a conduit for corruption."



Actor Leonardo DiCaprio with Jho Low at the *The Wolf of Wall Street* world premiere in Paris, France.

Credit: Bertrand Rindoff Petroff/Getty Images

And yet, even though it was eventually stopped, Jho Low's seven-year-long scheme proved just how easily the American financial system can be used as a vehicle for fraud, money-laundering and international corruption. Indeed, some analysts say that while the scale of Low's alleged heist was unprecedented, the maneuvers were routine, and occasionally aided by Western bankers, lawyers and accountants who are adept at finding clever ways to funnel dirty money into the financial system, undetected by regulators.

"We've left our system vulnerable, and that creates openings and opportunities for dirty money," says [Trevor Sutton](#), who with [Ben Judah](#), wrote, "[Turning the Tide on Dirty Money](#)," a special Kleptocracy Initiative report published by the [Center for American Progress](#). "We've got a leaky system that allows you to evade taxes and sell corrupt services. It's also a system that allows authoritarian states to cultivate an overseas asset and allow them to pursue their geopolitical aims."

After the DoJ began seizing his American assets, Low quickly disappeared from public view. The holder of multiple passports — which, along with offshore accounts, is a surprisingly ubiquitous tool for the global elites — Low bounced around Thailand, Hong Kong, Macau, Shenzhen and the United Arab Emirates.

Tom Wright, who along with Bradley Hope⁵ investigated the 1MDB scandal for *The Wall Street Journal* and co-authored the best-selling book, *Billion Dollar Whale: The Man Who Fooled Wall Street, Hollywood, and the World*, says Beijing may have had good reason to harbor Low, since by late 2016 it was clear Low was linked to a sketchy deal that involved hiring Chinese state-owned firms to build Malaysian infrastructure at inflated prices as a way to help repay some of 1MDB's debt.

“He knew the inner workings of corruption in the Belt and Road deals. He was there in China in the meetings,” Wright says, noting that *The Wall Street Journal* [obtained notes from a meeting](#) between Malaysian and Chinese officials. “If Jho Low were ever to appear in a court [in one of the countries seeking his arrest] he could talk about that. So China was probably keen not to send him back.”

Instead, Low disappeared from public view, and by early 2017, he had spent millions hiring white shoe law firms in the U.S. and U.K., building a public relations website and avoiding journalists who were pursuing stories about his flamboyant lifestyle and his business ties to the family of Malaysia's prime minister, Najib Razak.



Jho Low's disappearance has been a subject of fascination since news of the 1MDB scandal broke.

Audio tapes of calls between Low and Malaysian officials, [obtained by Al-Jazeera](#) for its documentary, “[Jho Low: Hunt for a Fugitive](#),” revealed that he was eager to get the Malaysian government to help resolve his U.S. case, if he simply returned the assets he purchased with allegedly stolen funds, and cooperated with investigators to pursue charges against others.

But the negotiations with the DoJ were not going well. And so when President Trump took office, in early 2017, Low appealed to his longtime friend Pras Michel, to find a back channel to lobby the President of the United States. And Michel — through Davis — found Broidy.

At the hotel suite meeting in Shenzhen, the three Americans, Low and the Chinese security official worked out the details of the scheme. And even before that, the payments to Broidy had begun: Michel set up a company to receive the offshore payments. Money was then transferred to the law firm of Broidy's wife, Robin Rosenzweig, making it look like a payment for legal services. The law firm, in turn, delivered the cash to Broidy's business account, according to records in the case.

By this point, the scheme had ballooned past 1MDB. Sun Lijun, the Chinese official, made clear he was eager to work with Broidy. Sun was preparing to travel to the U.S. in the hopes of finding a way to extradite Guo Wengui, the fugitive China wanted back so badly. But he was having a hard time getting meetings. Might Broidy, he asked, be able to help him set up meetings with the Trump administration?

Sun also introduced another incentive. China was holding three American prisoners, including a pregnant woman. Perhaps Broidy could help free them in exchange for Guo, a prospect that Broidy flaunted in his backchannel conversations with administration officials as China wanting to “significantly increase bi-lateral cooperation with the US with respect to law enforcement.”

“This is a big win for the admin that can be publicized,” he texted one person at the end of May. “It is the result of Mar-a-Lago meeting between the two presidents.”

By the end of June, Broidy seemed to be closing in on the Guo extradition. In response to his efforts, Davis texted him, “You are the man right now. They are going to give you the President’s medal of freedom award after what you will accomplish for this country this July 4th.”

Guo Wengui, however, had other plans.

This is the first in a two-part series. Please check back next week for the final installment.



David Barboza is the co-founder and a staff writer at *The Wire*. Previously, he was a longtime business reporter and foreign correspondent at *The New York Times*. [@DavidBarboza2](#)

● COVER STORY



Pole Position

BY EYCK FREYMAN

In public, Chinese diplomats and climate negotiators deny that they see any link between climate change and geopolitics. But there is a deeply cynical consensus within China’s academic and policy communities that climate change creates geopolitical opportunities that China can exploit — and must exploit before its rivals do. Greenland was the proof of concept for this strategy. And it caught the U.S. flat-footed.

● THE BIG PICTURE



Transsion's Triumph

BY GARRETT O'BRIEN

A look at Transsion’s monumental growth, unique marketing strategies and future growth potential.

● Q & A



Jörg Wuttke on China's Self-Destruction

BY ANDREW PEAPLE

The EU Chamber of Commerce in China president talks about China’s self-inflicted problems; how he gets away with being so outspoken; and why he believes in China’s comeback gene.



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