

Spies Like Us

**Double Agents.
Honey Pots.
Secret-Stealing Traitors.**

**How California Became an
Unlikely Nest of Espionage**

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IVE YEARS AGO, back when Dianne Feinstein was still a relatively vigorous political figure, she gave a little speech at a Judiciary Committee hearing on Chinese spying in the United States.

“Today’s hearing will examine other more nontraditional forms of espionage,” the veteran senator from California began her remarks, listing some of the numerous ways the People’s Republic had been snooping on the American continent, including planting its own scientists at top U.S. universities and luring U.S. companies

into revealing their source codes and other confidential information by promising lucrative openings to Chinese markets.

“The Chinese government has deliberately and purposefully created a system of maximum information extraction at nearly every level in every sector of the United States economy,” she warned. “Many of these efforts occur in plain sight.”

Boy, do they ever. In fact, one of those efforts occurred right in the front seat of Feinstein’s own limo. A year after her speech, it was publicly revealed that the senator’s personal driver of nearly 20 years—from 1996 to 2014—had been a Chinese agent. His name was Russell Wong, and he’d been whisking Feinstein around her hometown of San Francisco—presumably listening to her every backseat conversation and phone call—through much of her tenure on the powerful Senate Foreign Relations and Senate Intelligence committees. Here was one of China’s best-placed listening devices, and Feinstein had been staring at the back of his head for decades.

In plain sight, indeed.

As it happens, Feinstein’s driver was just the tip of what’s been looking more and more like an espionage iceberg in California. During the past couple of decades, there’s been a slew of spying scandals up and down the state, not just involving Chinese agents but also Russian and North Korean operatives, not to mention American-born traitors, like the former U.S. Air Force reservist from Corona—with a name straight out of a Boris and Natasha cartoon, Igor Panchernikov—who pleaded guilty this past March to selling thermal imaging rifle scopes and night-vision goggles to Russia during the invasion of Ukraine. Perhaps most compelling was the case of “The Parlor Maid” of San Marino, a double-agent saga that seemed made for Hollywood—but we’ll get into that bonkers drama a bit later.

The point here is, for a part of the world that almost never appears in James Bond movies, California seems chockablock with Mata Haris . . . and Mata Harrys, as well.

“Because of its high-tech and political clout, California is a happy hunting ground for human intelligence,” notes

former CIA officer John Woodward, now a professor at Boston University and author of the upcoming book *Spying*. “While the Chinese certainly excel at this game, other countries [are also involved], notably Russian intelligence officers in Beverly Hills, Iranians spying on dissidents all over L.A., and the North Koreans who hacked Sony.”

Those North Koreans Woodward is referring to, by the way, were indicted just two years ago, nearly a decade after committing one of the most notorious information thefts in Hollywood history. The 2014 Sony hack, which dumped gigabytes of proprietary studio data onto the internet—executive salaries, unfinished scripts, unflattering emails, like the one in which producer Scott Rudin called Angelina Jolie “a minimally talented spoiled brat”—turned out to be the work of three alleged members of North Korea’s RGB, a military intelligence agency bent on sowing chaos in America’s media capital (not to mention stopping the release of Sony’s 2014 Seth Rogen-James Franco comedy *The Interview*, about a couple of bumbling reporters who plan the assassination of North Korean dictator Kim Jong Un).

Jon Chang Hyok, 31, Kim Il, 27, and Park Jin Hyok, 36, were indicted in a U.S. criminal court in Los Angeles on February 17, 2021. Their whereabouts are unknown, but they are presumed to be somewhere back home in North Korea.

Around the same time as the Sony hack, Congressman Eric Swalwell was running for reelection in California’s then-15th District. Helping him fundraise was a fetching young Chinese staffer named Christine Fang—friends called her Fang Fang, though others referred to her less endearingly as Yum Yum—who had only recently arrived in the U.S. on a student visa. Fang became such an integral part of Swalwell’s office, she was even helping to pick the



congressman’s interns. Then the FBI discovered that she was an agent of China’s Ministry of State Security—the fact that she was palling around with Feinstein’s driver might have been a clue—and she fled back to China in 2015. Swalwell fully cooperated with the FBI’s investigation, but that didn’t stop incoming Republican Speaker Kevin McCarthy from booting Swalwell from the House Intelligence Committee earlier this year, claiming Swalwell’s former connection to the Chinese agent made him a security risk.

Of course, not all of California’s spies are quite so glam. In 2016, a schlubby satellite engineer from Culver City working the overnight shift at Boeing was busted for trying to sell satellite secrets to the Russians. The Russkies turned out to be undercover FBI agents, and Gregory Allen Justice served a five-year sentence. In 2021, an electrical engineer from the Hollywood Hills, Yi-Chi Shih, was caught hatching a scheme to illegally manufacture and export semiconductor chips used in missiles and missile-guidance systems to a company owned by the Chinese Communist Party. He’s currently serving 63 months in federal prison. And just this past April, a former Caltech academic named Charles Lieber was prosecuted for creating a secret lab in Wuhan that duplicated much of the research he was doing for the U.S. Department of Defense. Lieber, who has since

picked up the nickname Mister COVID, was let off lightly, sentenced to time served. He spent just two days in prison.

But one of the sexier espionage cases in Los Angeles—a gripping tale that all but begs for a limited series on one of the streaming channels—goes back a few years, starting in the late 1980s and wending through the ’90s and early 2000s. At its center was a socialite in San Marino named Katrina Leung, known to the FBI by the code moniker Parlor Maid.

From all outward appearances, the now-69-year-old Taiwan-born immigrant seemed like a pillar of her suburban L.A. community. She’d been general manager of an import-export company, owned a local bookstore, and raised money for California GOP gubernatorial and mayoral campaigns.



Off the books, though, she was, for 20 years, one of the most cunning double agents on the West Coast. Infiltrating a nest of Chinese spies in L.A., she sold their secrets to the FBI (who ended up paying her a total of \$1.7 million), then turned around and peddled U.S. intelligence to the Ministry of State Security in Beijing for unknown millions more.

“Leung was clearly an opportunist,” notes former CIA agent—and current COO of Mosaic Security—Darrell M. Blocker. “She used her ties to the FBI as a paid informant to double dip into another pot of money from the better-paying Chinese intelligence service.”

Even more impressive were Leung’s prodigious skills as a honey pot. During her run as a spy, she managed to seduce not just one but two of her FBI handlers. The first was James J. Smith, the agent in the L.A. field office who had, in 1982, recruited her as a source. Within a year, Smith was sleeping with Leung, an extraordinarily stupid thing to do considering that, at the time, Smith was investigating another FBI agent, Richard Miller, for making the mistake of sleeping with a Russian agent named Svetlana Ogorodnikova and passing her classified documents (Miller was ultimately convicted of espionage and ended up serving three years of a 20-year sentence). Smith and Leung’s affair lasted for years, with the couple risking discovery by taking vacations together to London and regularly flying to San Francisco to attend events at the Chinese consulate (events, incidentally, at which a certain Chinese driver for a certain California senator was almost certainly in attendance).

It was at one of those San Francisco consulate parties that Smith introduced Leung to a special agent named William Cleveland. By all accounts, Cleveland was a devoutly religious and patriotic citizen, but he started sleeping with Leung, too. It’s unclear how long their affair lasted, but Cleveland would have been an especially target-rich environment for a Chinese agent because, after leaving the FBI in 1993, he went to work at a nuclear weapons lab in Livermore.

The whole thing blew up in 2002, when the CIA got wind of what was going on. The agency questioned Cleveland (who promptly quit his job at the Livermore lab), and agents began trailing Leung on her trips to China, discovering classified documents in her luggage that she had copied during sleepovers with Smith. In the end, amazingly, the scandal ended up fizzling. Cleveland was never charged with anything because there was no evidence that he’d shared classified material with Leung. Smith was discharged from the FBI in disgrace and struck a plea deal with prosecutors, ultimately serving just three months under house arrest. And Leung herself? She got off scot-free when a federal district judge dismissed charges against her after Smith was prohibited—presumably for security reasons—from testifying against her.

Leung’s whereabouts—like those of Feinstein’s limo driver, who disappeared after his espionage crimes were finally exposed—are currently unknown. Best guess, though, is that they are both hiding in plain sight. ■

