



Kevin Patrick Mallory

- Age 61 at time of conviction
- Self-employed consultant with GlobalEx, LLC
- Served in the military for five years, and continued as an Army reservist
- Worked as a CIA officer, and was stationed in Iraq, China, and Taiwan
- Left government in 2012
- Held a top secret security clearance, (terminated in October 2012 when he left government service)



CDSE

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CASE STUDY

Espionage

WHAT HAPPENED

In March and April 2017, Mallory travelled to Shanghai and met with Michael Yang, a scientist working for the Shanghai Academy of Social Sciences (SASS). The FBI has described SASS as a Chinese “think tank.” The FBI also said that Chinese intelligence officers use SASS to cover their identities while they try to obtain information on policies that may affect China. During the meeting, Mallory accepted a secure communication device from Yang. Mallory later told the FBI that he was trained to use it for private communications” with the Chinese citizen.

On April 21, 2017, after a return flight to the United States from Shanghai, Mallory was subjected to a U.S. Customs and Border Protection (CBP) secondary search and interview. During the interview, Mallory stated that he was outside the United States for one week, on a business trip as well as a father/son vacation. While in the PRC on this trip, Mallory said he met with an individual whom he knew through Mallory's church and stated that he was consulting with this individual on anti-bullying/family safety programs. Mallory also stated that he did not receive anything from this individual during his trip. Mallory claimed on his Customs form that he was not carrying more than \$10,000, however Customs agents found \$16,500 in his two carryon bags.

During a voluntary interview with the FBI in May 2017, Mallory acknowledged that he had provided unclassified “white papers” to the Chinese person in exchange for about \$25,000 in cash, but he denied providing any classified information. When Mallory demonstrated the device to the FBI, he “expressed surprise” when the secure message history began to appear. One message said: “I can also come in the middle of June I can bring the remainder of the documents I have at that time.” Further analysis of the device revealed a handwritten index describing eight different documents later determined to be classified information, with at least one TOP SECRET and two SECRET. Some of the information contained unique identifiers for human sources who had helped the U.S. government.

Evidence presented at trial also included surveillance video of Mallory scanning the classified documents onto a micro-SD card which was later found carefully concealed in his house.

INDICATORS

Foreign Considerations – Mallory had numerous contacts with a Chinese recruiter which he admitted in an after-the-fact interview with the FBI. Mallory also had unreported travel to China.

Access Attributes – Mallory had previously held a Top Secret security clearance with access to sensitive government materials.

Security and Compliance Incidents – Mallory obscured classification markings in order to remove documents from a secure area.

Financial Considerations – Mallory was over \$230,000 in debt and months behind in mortgage payments.

IMPACT

On June 8, 2018, Mallory was convicted under the Espionage Act of conspiracy to transmit, attempted delivery, and delivery of defense information to an agent of the People's Republic of China. He was also convicted of making false statements to the FBI. He was sentenced to 20 years in prison to be followed by five years of supervised release.

"Mallory not only put our country at great risk, but he endangered the lives of specific human assets who put their own safety at risk for our national defense," said. U.S. Attorney Terwilliger. "There are few crimes in this country more serious than espionage, and this office has a long history of holding accountable those who betray our country. As the Chinese continue to attempt to identify and recruit current and former members of the United States intelligence community, those individuals should remain vigilant and report any suspicious activity to the appropriate security officials. This case should send a message to anyone considering violating the public's trust and compromising our national security by disclosing classified information. We will remain steadfast and dogged in pursuit of these challenging but critical national security cases."

ADDITIONAL INFO

According to court records, Mallory was \$230,000 in debt and \$12,205.32 past due on his mortgage payments in early 2017, when he received a LinkedIn message from a Chinese recruiter. That recruiter turned out to be Michael Yang. In February 2017, Mallory responded to the LinkedIn message from Yang, who passed himself off as a think tank representative looking for a foreign policy expert. Yang actually was a Chinese intelligence officer.

Footage from a surveillance camera at a Virginia FedEx store in April 2017 caught Mallory as he prepared to hand a clerk stacks of classified documents to be scanned onto an SD card, the kind that can be inserted into a mobile phone. After his arrest, the FBI searched his home. Hidden in the back of a closet in a junk drawer, agents discovered an SD card wrapped in tinfoil, on which he had placed eight secret and top-secret documents, the same ones he scanned at that FedEx store in April.

Questions to consider:

- What tell-tale signs of Mallory's espionage might have been apparent to his co-workers, family, or friends?
- If you observed a co-worker displaying any of the potential indicators of Insider Threat, where would you report your observations?

Resources for further exploration:

- [DCSA CI Methods of Contact/ Methods of Operation Countermeasures Matrix](https://securityawareness.usalearning.gov/cdse/matrix/index.html)
(<https://securityawareness.usalearning.gov/cdse/matrix/index.html>)
- [Countering Foreign Intelligence Threats Implementation and Best Practices Guide](https://www.dni.gov/files/NCSC/documents/campaign/Guid_CFIT-Implementation-and-Best-Practices-Guide_2017-06-08_UNCLASS_LINKED.pdf)
(https://www.dni.gov/files/NCSC/documents/campaign/Guid_CFIT-Implementation-and-Best-Practices-Guide_2017-06-08_UNCLASS_LINKED.pdf)
- [Security Incidents Involving SCI Webinar](https://www.cdse.edu/Training/Webinars-and-Conferences/Webinar-Archive/Security-Incidents-Involving-SCI/)
(<https://www.cdse.edu/Training/Webinars-and-Conferences/Webinar-Archive/Security-Incidents-Involving-SCI/>)

Supporting Through Reporting!

Contact the appropriate POC to report any observed potential risk indicators:

Name: _____ Agency/Department: _____
Title: Supervisor/Security Officer/ITP Senior Official/ITP Manager