

AUSTIN KNUDSEN



STATE OF MONTANA

August 15, 2024

Mr. Qin Sun
President
Temu (WhaleCo. Inc.)
31 St James Avenue, Suite 355
Boston, MA 02116

Mr. Chen Lei
Chief Executive Officer
PDD Holdings Inc.
25 St Stephen's Green
Dublin, Ireland

Dear Mr. Qin and Chen,

We write to you in our capacity as the Attorneys General of 21 states to request information about Temu's and PDD Holdings Inc.'s business practices and ties with the Chinese Communist Party (CCP). Congressional investigators believe that your company, Temu (which is owned by PDD Holdings), is illegally selling products made by forced labor in an area of China in which the CCP is committing genocide. And PDD Holdings is credibly accused by members of Congress as being linked to the CCP.¹

Just last year, the United States House Select Committee on the Chinese Communist Party revealed disturbing information about Temu's failure to comply with American laws prohibiting the use of forced labor by Uyghurs. Temu admitted to the Select Committee that "it does not have a policy in place to prohibit the sale of goods from Xinjiang—the location of the CCP's ongoing genocide against the Uyghurs—on [your] platform."² Instead, Temu claimed it is not subject to the Uyghur Forced Labor Prevention Act (UFLPA).³ Not only that, but the Select Committee found that "Temu conducts no audits and reports no

¹ Press Release, Carol Miller, Congresswoman, House of Reps., *Miller to CBS: No CCP Backed Ads During Super Bowl LVIII* (Feb. 8, 2024), <https://perma.cc/R356-39VM>.

² House Select Committee on the Chinese Communist Party, *Fast Fashion and the Uyghur Genocide: Interim Findings* 10 (June 22, 2023), <https://selectcommitteeontheccp.house.gov/sites/evo/subsites/selectcommitteeontheccp.house.gov/files/evo-media-document/fast-fashion-and-the-uyghurgenocide-interim-findings.pdf>.

³ *Id.* at 8.

DEPARTMENT OF JUSTICE

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compliance system to affirmatively examine and ensure compliance with the UFLPA”—relying instead on your China-based suppliers to voluntarily report violations of “boilerplate terms and conditions that prohibit the use of forced labor.”⁴ Based on the evidence collected, the Select Committee concluded that Temu’s poor compliance system virtually ensures “that shipments from Temu containing products made with forced labor are entering the United States on a regular basis, in violation of the UFLPA.”⁵

This conduct is deeply troubling in its own right. But beyond the concerns raised by Temu’s likely (and extensive) violations of federal law, this ongoing conduct raises serious concerns about Temu’s compliance with state consumer protection laws.⁶ These concerns extend to products sold exclusively on Temu’s website that fail to adequately warn consumers of dangers associated with their products⁷ and fail to notify consumers the products are subject to safety recalls.⁸

Montana has additional concerns about Temu’s and PDD Holding’s data collection practices. Like other companies subject to CCP control, Montana believes that Temu is obligated to collect and send Montana consumer data to the CPP on demand. The Montana Consumer Data Privacy Act goes into effect on October 1, 2024, *see* Mont. Code Ann. §§ 30-14-2801, *et seq.*, and given the CCP’s demonstrated history of using CCP-affiliated companies to target and track U.S. consumers, Montana remains concerned that that Temu will flout Montana law.

On many fronts these reports are startling, and our offices remain committed to protecting our citizens from harmful business practices like these. If uncorrected, we will consider all available measures to protect our citizens. But we would like to provide Temu and PDD Holdings the opportunity to clarify these reports and findings or to provide evidence of

⁴ *Id.* at 2

⁵ *Id.*

⁶ *E.g.*, The Montana Consumer Protection Act, Mont. Code Ann. §§ 30-14-101, *et seq.*

⁷ Melissa Koenig, *Temu customer’s foot sliced open by ‘razor sharp’ found in new \$12 boots, left to pay thousands in medical bills*, N.Y. POST (Feb. 15, 2024), <https://perma.cc/8F4P-YWFX>.

⁸ The U.S. Consumer Product Safety Commission recalled the children’s pajama sets because they didn’t meet flammability standards for children’s sleepwear and the helmets because they didn’t dynamic strength and impact attenuation requirements of federal safety regulations. *See* U.S. CPSC, *Children’s Pajama Sets Recalled Due to Burn Hazard and Violation of Federal Flammability Standards; Sold Exclusively on Temu.com by Fashion Online* (July 11, 2024), <https://perma.cc/7D24-WC5D>; U.S. CPSC, *Multi-Purpose Kids’ Bike Helmets Recalled Due to Risk of Head Injury; Violation of Federal Safety Regulation for Bicycle Helmets; Sold Exclusively on Temu.com* (April 25, 2024), <https://perma.cc/YZE4-48C6>.

any policies and procedures that have been updated or modified since the findings of the Select Committee last year. Specifically, please answer the following questions:

1. Does Temu or PDD Holdings collect U.S. consumer data? If so, please explain the type of data collected from U.S. consumers, including but not limited to data regarding consumer preferences, biometric data, political leanings, health data, race, religion, or sex. Please explain the rationale for the different types of data collected and the manner in which you notify consumers of the type of data collected.
2. How is U.S. consumer data retained and stored? Please provide documentation of Temu's or PDD Holdings' cybersecurity and data retention and storage policies for U.S. consumer data. What security measures are in place to prevent unauthorized third parties from accessing U.S. consumer data acquired or retained by Temu?
3. Has the CCP, or any of its officials, members, or affiliates, required or requested that Temu or PDD Holdings turn over any data collected on U.S. citizens? If so, please state how many directives or requests you received and explain what data was requested and whether any (or all) data was turned over to the CCP.
4. What consumer data does Temu or PDD Holdings retain when an individual consumer requests their data be deleted, or their account deactivated?
5. Does Temu or PDD Holdings sell U.S. consumer data? If so, who does Temu or PDD Holdings sell that consumer data to, and are any measures employed to safeguard the identities of U.S. consumers? What percentage of profits are attributable to retail sales, and what percentage of profits are attributable to data sold to third parties?
6. Various reports indicate that several former CCP members are on PDD Holdings' executive leadership team. Do these members have access to any U.S. consumer data possessed or acquired by Temu? If so, please explain the nature of the members' access to that data.
7. How does Temu certify that the products sold on its platform are not produced by slave labor?
8. Please identify all measures Temu has taken in the past and any measures currently being employed, including but not limited to any internal or external audits, or any rules and guidelines imposed on third party vendors or suppliers.
9. How does Temu warrant to consumers that products sold on its platform do not involve the use of slave labor?

10. CNN reports that Temu's sister app (Pinduoduo), also owned by PDD Holdings, was removed from Google Play in 2023 after experts discovered malware that could be used to spy on users. Did the same app developer create the Temu app? Please explain in detail all measures Temu has taken in the past and any measures currently being employed to ensure the app is free of malware or any other programs that would allow Temu or anyone else to spy on U.S. users.
11. What steps does Temu or PDD Holdings take to notify consumers that products sold on its platform are subject to safety recalls? What steps does Temu or PDD Holdings take to warrant to consumers the safety of products sold on its platforms?

Within 30 days of this letter's date, please provide our offices with a copy of your responses to the questions above, along with any documents relied on to answer these questions.

Respectfully,



AUSTIN KNUDSEN
ATTORNEY GENERAL OF MONTANA



STEVE MARSHALL
ATTORNEY GENERAL OF ALABAMA



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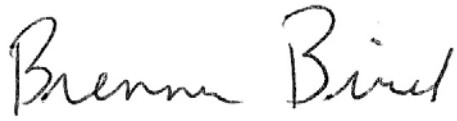


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