



March 11, 2022

Governor Ron DeSantis  
Chair, Board of Trustees  
State Board of Administration of Florida  
400 S Monroe St  
Tallahassee, FL 32399  
[REDACTED] [florida.com](mailto:[REDACTED]@florida.com)

Via: UPS Overnight and email

Re: Florida SBA's investment in Chinese surveillance company via KKR Asian Fund III

Dear Governor DeSantis:

On October 28, 2021, I wrote to you requesting that the Florida State Board of Administration conduct an independent investigation into its investment in Cue Group, a Chinese surveillance company formed by KKR Asian Fund III entities.<sup>1</sup> The SBA's response referred us to the U.S. government.

We believe it is fundamentally wrong for public employees' retirement in Florida to fund collaboration with China's repressive surveillance state.

On February 20, 2022, *The Wire China* published confirmation that Cue and its CEO's personal company collaborated with the Video National Engineering Laboratory Zhuhai Innovation Center, an arm of China's Ministry of Public Security. The Ministry of Public Security is the organ that develops and implements the government's mass surveillance system throughout China.

According to *The Wire China*:

"The fact that KKR had a controlling stake in Cue Group while Cue was openly promoting its connection to the MPS lab is 'a wake up call' to global companies, says Michael Santoro, a corporate ethics expert at the Santa Clara University's Leavey School of Business. If a private equity firm's portfolio company works with China's surveillance apparatus, he says, 'It could hardly be a more direct line between their investment and human rights violations.'"

KKR and Cue denied the collaboration to *The Wire*, even though *The Wire* obtained confirmation from the Zhuhai Lab of Cue's collaboration. The article documents how "both KKR and Cue have scrambled to distance themselves from any association with the surveillance industry...".

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<sup>1</sup> Florida SBA contributed \$116.2 million to KKR Asian Fund III as of the June 30, 2021 performance report.



According to *The Wire* and our information, KKR and Cue are removing references to this collaboration. Since November, Cue has revised its website, removed phrases relating to the government-run Zhuhai lab from its website, and deleted references to public security and military applications of a new autonomous vehicle project. KKR has taken down a website related to its acquisition of Axel Springer, the parent company of Politico, which contained a filing listing KKR's indirect subsidiaries, including Cue and two personal companies of Cue's CEO.

Efforts to cover up this collaboration make action by your office even more urgent. We ask you to divest of your investment in Cue (which is held in KKR Asian Fund III) immediately and contribute any profits from Cue to human rights organizations involved with China.

We look forward to your action.

Sincerely,



David T. Young  
International Vice President  
Director, National Strategic Retail Department

Enclosure

Cc: Lamar Taylor, Interim Executive Director and Chief Investment Officer