



April 28, 2022

Mr. Tobias Read  
Treasurer  
State of Oregon  
900 Court St. NE  
Salem, OR 97301

Re: Divesting of Oregon PERF investment in Chinese surveillance company in KKR Asian Fund III

Dear Mr. Read:

Thank you for providing the opportunity to discuss with your staff our concerns about Oregon's investment in Cue Group, a Chinese surveillance company formed by KKR Asian Fund III entities.

We are calling on Oregon PERF to divest of Cue, because we believe it is fundamentally wrong for public employees' retirement in Oregon to fund any collaboration with China's repressive surveillance state.

My team provided your staff with a February 20, 2022 article by *The Wire China*, confirming that Cue and its CEO's personal company had jointly developed surveillance technology 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...".

According to *The Wire* and our information, KKR and Cue removed public references to this collaboration. After publication of *The Wire* article, Cue removed its website post describing its collaboration with the government-run Zhuhai lab and Cue also deleted its website references to public security and military applications of a new autonomous vehicle project. KKR took down an unrelated website of a KKR entity that had contained a filing that listed KKR's indirect subsidiaries, including Cue and two personal companies of Cue's CEO.



These efforts to cover up this collaboration make action by your office even more urgent. We urge 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.

I look forward to your action. I can be reached at [REDACTED]

Sincerely,

[REDACTED]

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

Enclosure

Cc: Rex Kim, CIO