

# United States Senate

April 15, 2024

President Joseph R. Biden  
The White House,  
1600 Pennsylvania Avenue NW  
Washington, DC 20500

Dear President Biden,

I write to you regarding the urgent threat from the Chinese retail application, Temu. This malign app is a pipeline of dumped, counterfeit, and slave-labor products from China that is also gathering massive quantities of Americans' personal data.

After launching in 2022, Temu has skyrocketed to one of the most downloaded apps in America<sup>1</sup> and already rivals eBay for online sales.<sup>2</sup> It has achieved this astronomical growth through billions of dollars of advertisements,<sup>3</sup> including Super Bowl ads,<sup>4</sup> and by undercutting competitors with extremely cheap and often counterfeit Chinese goods.<sup>5</sup> Temu sells many of its products at a fraction of the price of its American competitors.<sup>6</sup>

Temu's goods are cheap not because of fair competition, but rather because of China's familiar combination of intellectual-property theft, government subsidies, and human-rights abuses. For example, Temu directly copies Amazon storefronts and then sells knock-off Chinese versions of the product at a deeply discounted rate.<sup>7</sup> Temu also likely benefits from the use of slave labor. According to the House of Representatives Select Committee on the Chinese Communist Party, "American consumers should know that there is an extremely high risk that Temu's supply chains are contaminated with forced labor."<sup>8</sup>

Temu is getting away with this intellectual-property theft, unfair competition, and use of slave labor by flooding the American market with more than a million individual packages a week. Worse still, the company is importing these goods tax-free under the so-called *de minimis* loophole in such volumes that Customs and Border Protection simply can't keep up.

Further, Temu is harvesting vast amounts of personal information from American consumers. In fact, Temu's data gathering may be even more dangerous than TikTok's and, according to one lawsuit, the app can access "everything on your phone."<sup>9</sup> Google Play also removed Temu's parent company Pinduoduo's (PDD) app as a result of harmful malware hidden in the app that gave it access to everything from biometrics to information about Wi-Fi networks.<sup>10</sup> This poses a grave threat to Americans' privacy. PDD Holdings received more than \$400 million in "income" from the PRC government last year, which suggests that PDD Holdings may be selling data collected on Temu to entities affiliated with the Chinese Communist Party.<sup>11</sup>

As with TikTok and other invasive Chinese apps, Temu has no place in America. It's a threat to American producers, investors, online retailers, and every single American's personal privacy. I urge you to investigate Temu and to request the authorities necessary to protect Americans from

this dangerous Chinese application. I also urge you to end the *de minimis* loophole for China and other American adversaries.

Please provide answers to the following questions by May 10, 2024.

1. To what degree does the Chinese government exercise control or influence over Temu and its parent company PDD Holdings?
2. How many leaders of Temu and its parent company PDD Holdings are members of or affiliated with the Chinese Communist Party?
3. Has your administration investigated Temu's data gathering and its threat to American personal privacy?
4. To what extent does Temu steal and counterfeit American products and has the Department of Justice's Intellectual Property Section investigated Temu, PDD Holdings, and members of the Board of Directors for criminal intellectual-property violations?
5. Has your administration directed the Department of the Treasury to investigate Temu for possible violations of anti-money laundering regulations?
6. Has your administration directed the Securities and Exchange Commission to investigate PDD Holdings for potential securities fraud given its status as a publicly traded company on the NASDAQ exchange?
7. Is it safe for military personnel to have Temu downloaded on their personal or government devices?
8. What authorities would your administration need to ban Temu? If given these authorities, would you follow through with a ban?

Thank you for your attention to this important matter.



Tom Cotton  
United States Senator

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<sup>1</sup> <https://www.cnn.com/2023/04/23/tech/temu-shein-us-concerns-intl-hnk/index.html>

<sup>2</sup> <https://time.com/6342387/temu-copy-work/>

<sup>3</sup> <https://nypost.com/2024/03/08/business/chinese-shopping-app-temu-spent-2b-on-facebook-instagram-ads/>

<sup>4</sup> [https://www.uscc.gov/sites/default/files/2023-04/Issue Brief-Shein Temu and Chinese E-Commerce.pdf](https://www.uscc.gov/sites/default/files/2023-04/Issue%20Brief-Shein%20Temu%20and%20Chinese%20E-Commerce.pdf)

<sup>5</sup> <https://time.com/6342387/temu-copy-work/>

<sup>6</sup> <https://www.wired.com/story/temu-is-burning-cash-to-challenge-shein-and-amazon-on-black-friday/>

<sup>7</sup> <https://www.wired.com/story/temu-amazon-storefront-clones-copyright-infringement/>

<sup>8</sup> <https://selectcommitteeontheccp.house.gov/media/press-releases/select-committee-releases-interim-findings-shein-temu-forced-labor>

<sup>9</sup> <https://www.yahoo.com/news/lawsuits-claim-shopping-app-temu-215249915.html>

<sup>10</sup> <https://www.cnbc.com/2023/05/17/temu-accused-of-data-risks-amid-tiktok-pinduoduo-fears.html>

<sup>11</sup> <https://www.washingtontimes.com/news/2024/apr/8/congress-should-take-closer-look-at-chinas-temu/>