

October 30, 2024

Mr. Mohamed Khande  
Global Chairman  
PricewaterhouseCoopers LLP  
1 Embankment Place  
London  
WC2N 6RH  
United Kingdom

Dear Mr. Khande:

I write with regard to PricewaterhouseCoopers LLP's (PwC) relationship with the Chinese Communist Party (CCP) and the Chinese government, including Chinese provincial and local government entities, and state-owned companies in the People's Republic of China (PRC). Recently, media outlets have offered noteworthy coverage of the \$62 million fine levied on PwC by China's Ministry of Finance (MOF).<sup>1</sup> While PwC's questionable auditing work for Evergrande certainly deserves heightened scrutiny, reports have not adequately grappled with conflicts of interest seemingly rising from PwC's deep entanglements with CCP-controlled and -affiliated entities, and, potentially, the Chinese government.

PwC and its U.S. subsidiaries have a history of providing consulting services for U.S. federal agencies. Yet, mounting evidence suggests that PwC's East Asia and China division (PwC China) has consulted government officials in the Xinjiang Uyghur Autonomous Region (XUAR), where Beijing is engaged in an active genocide against Uyghurs and other predominantly Muslim ethnic groups, contracted for numerous state-owned enterprises in China, and openly supported CCP efforts to undermine U.S. economic interests through support for in China's Belt and Road Initiative (BRI).

It is no secret that Chinese regulatory authorities have heightened scrutiny around PwC in the wake of its failure to identify \$78 billion in misreported revenues by Evergrande. Key decisions made by PwC's global leadership during this time suggest a pattern of catering to CCP goals when met with regulatory hostility. Until recently, PwC China boasted dozens of the largest Chinese state-owned enterprises on its list of auditing clients, including the Bank of China, China Railway Group Ltd., PetroChina Co. Ltd., People's Insurance Company of China, and many others. PwC has lost many of these contracts in recent months, as Chinese regulators have discouraged China-based companies from contracting with PwC for auditing services amid the Evergrande fallout.<sup>2</sup> Yet, to my surprise, as Chinese regulators have taken an increasingly hostile posture toward your firm—and sought to wrest control over Western auditors' operations

---

<sup>1</sup> <https://www.nytimes.com/2024/09/13/business/pwc-china-evergrande.html>

<sup>2</sup> <https://www.reuters.com/business/finance/ey-kpmg-benefit-most-pwc-chinas-regulatory-woes-2024-08-15/>

in mainland China—PwC has responded with attempts to appease the CCP, rather than decouple and de-risk from communist influence.

In July 2024, amidst the height of Chinese regulatory scrutiny over PwC’s flawed Evergrande audits, PwC leadership appointed Daniel Li as Chairman of its China and East Asia practice. Li appears to be a member of the CCP and serves on the 14<sup>th</sup> National Committee of the Chinese People’s Political Consultative Conference (CPPCC). The CPPCC is a political instrument that serves atop the CCP’s “united front” system—which is designed to cultivate ties with the entities the Party views as friendly—and steers the CCP’s policy aims. As such, Li’s appointment was a clear effort by PwC to win the trust of CCP authorities amid heightening tension by placing an individual with deep ties to the CCP at the helm of your firm’s China operations. While Hemione Hudson was selected to replace Li at the helm of PwC China last month, Li retains a significant role for PwC China—overseeing your firm’s auditing efforts in China.

PwC’s deepening ties with the CCP are also evident in your firm’s consulting client selection. The *Wall Street Journal* reports that, last month, as PwC China’s auditing practice faced hostile regulatory actions over its Evergrande audits, your firm’s consulting unit signed a \$200,000 contract with local government authorities in the XUAR.<sup>3</sup> As you know, Beijing is actively committing genocide against Uyghurs and other predominately Muslim ethnic groups in the region. China’s abhorrent oppression of Uyghurs includes modern-day concentration camps, cultural reprogramming efforts, forced labor, and physical torture. Years of mounting evidence now places the reality of these atrocities beyond a shadow of doubt.

Perhaps most concerning, PwC appears to have acted to publicly align its client engagements with CCP ambitions. PwC’s website openly boasts of the firm’s “Belt and Road United” project, started by your firm in 2017, with the expressed purpose of supporting China’s BRI. A document describing the initiative plainly states, “PwC aligns with the strategy through ongoing support for the Belt & Road Initiative.”<sup>4</sup> In the same document, PwC further claims to be an “enabling influence,” and declares that PwC will “assist government departments and regulators in constructing and improving financial markets and regulatory systems in favor of the B&R Initiative.” The document also openly references the global reach of PwC’s client base, professing that “PwC is dedicated to sharing the full range of resources and practical experience sourced from across our expansive global network” to support BRI.

PwC’s “Belt and Road United” project appears to have generated several spin-off initiatives in other PwC offices across the globe. For example, PwC Italy’s webpage advertises your firm’s “China Business Group”—a division of PwC with the self-described aim to “support Chinese companies doing business in Italy and successfully develop their external growth strategy in the Italian market.”<sup>5</sup> The document claims that PwC stands at the ready to “support Chinese/Italian government organisations” and “introduce investment opportunities in Italy for potential Chinese clients.” This language appears to be a thinly-veiled attempt of PwC to court

---

<sup>3</sup> <https://www.wsj.com/world/china/despite-geopolitical-tensions-china-is-big-business-for-western-consulting-firms-dfde9114>

<sup>4</sup> <https://www.pwccn.com/en/research-and-insights/belt-and-road/publications/b-and-r-brochure.pdf>

<sup>5</sup> <https://www.pwc.com/it/en/services/international-markets/china/doc/pwc-italy-china-business-group.pdf>

the favor of the CCP and secure contracts with Chinese state-owned enterprises by working to expand the influence and reach of Communist China around the globe.

As noted, PwC and its U.S. subsidiaries consult for many leading U.S. industries, and the company has received substantial revenue from contracts with the U.S. government. When U.S. federal agencies hire private entities for consultation, it is an expectation that contractors will prioritize the best interests of the United States above all others. Simultaneous engagements with foreign adversaries are unacceptable. PwC's apparent deep connections with CCP-controlled entities raise questions about conflicts of interest that could preclude PwC from executing any contract for U.S. federal and state government agencies with fidelity.

Accordingly, I ask that you provide responses, along with supporting documentation, to the following questions no later than November 15, 2024:

1. Please describe the extent of any existing contracts retained by PwC, or its U.S. subsidiaries and affiliates, to provide consulting services for U.S. state and federal government agencies.
2. Do PwC, or any of its U.S. subsidiaries and affiliates, intend to pursue contracts with U.S. federal agencies in the future?
3. Has the CCP, or any direct subdivision of the CCP, ever been a client of PwC or any of its subsidiaries?
4. Has PwC ever provided consulting services for a China-based client that has concurrently been included on the U.S. Department of Defense's 1260H List, the Department of Treasury's Non-SDN Chinese Military-Industrial Complex Companies List, or the Department of Commerce's Entity List? If so, please provide the following information for each client:
  - a. Name of the company
  - b. Nature of the company's work
  - c. Nature of company's relationship with the PRC and CCP
  - d. Duration of PwC's consulting relationship with the company
  - e. Nature of PwC's work on behalf of the company
5. Do any of PwC's current or past China-based clients work in the following sectors: military and civil defense, aerospace and aviation, energy and power generation, critical mineral mining and refining, steel and aluminum, new materials, shipbuilding, electric or gas combustion vehicle production, artificial intelligence, quantum computing, microelectronics, telecommunications, biotechnology, or high-speed rail? If so, please provide the following information for each client:
  - a. Name of the company
  - b. Nature of the company's work
  - c. Nature of company's relationship with the PRC and CCP
  - d. Duration of PwC's consulting relationship with the company
  - e. Nature of PwC's work on behalf of the company
6. As noted above, brochures and materials on PwC's website openly boast about the firm's support for China's Belt and Road Initiative, and its work advancing BRI goals in its consulting engagements abroad. Has PwC ever modified or intentionally crafted its

- consulting recommendations to U.S. clients, including U.S. federal agencies, in order to recommend cooperation with the BRI or portray the PRC's BRI in a positive light?
7. PwC performs hundreds of millions of dollars of work each year on behalf of the U.S. Government and American taxpayers. Please describe in detail all policies and safeguards PwC has implemented to ensure that work done on behalf of the United States government does not inform the work that your firm does for Chinese government entities and state-owned enterprises.
  8. PwC's website lists statistics describing the firm's work in the "Taiwan region." Does PwC recognize Taiwan as a free and independent nation state?

The United States of America, our allies, and Western businesses like PwC, face a fundamental threat. As my office has documented, for more than ten years, the CCP has acted on a concerted plan to supplant the United States as the ascendant global economic power, dominating global trade in the industries that will define the 21<sup>st</sup> century economy.<sup>6</sup> This is not just a conflict over size of economies alone, it is also about which values will define our world. The CCP has been all too willing to commit genocide, oppress and censor citizens, and violate economic norms in its pursuit of power. Yet, it seeks to replace American values for the dignity of the human person and representative government with a global system that reflects its own character. Global firms, such as PwC, who have grown prosperous from a free and democratic order governed by American values, can no longer seek to cater to, and profit from, both sides of this conflict.

Thank you for your attention to this important matter.

Sincerely,



Marco Rubio  
U.S. Senator

---

<sup>6</sup> <https://www.rubio.senate.gov/rubio-releases-report-the-world-china-made-made-in-china-2025-nine-years-later/>.