LEGISLATIVE RESEARCH REPORT

JANUARY 28, 2008 | REPORT NUMBER 08.112

DIVESTMENT OF QUALIFYING COMPANIES OPERATING IN SUDAN FROM ALASKA PUBLIC FUNDS

PREPARED FOR REPRESENTATIVE LES GARA

BY DANIEL LESH, LEGISLATIVE ANALYST

You asked about state economic sanctions against the government of Sudan via the divestment of public assets in qualifying companies. Specifically, you asked for a review of relevant U.S. state laws and an analysis of the potential effects of a "targeted divestment" law on the State of Alaska with respect to the Alaska Permanent Fund, the Alaska Retirement Management Board's funds, and other Alaska state funds.

SUMMARY

As of January 28th, 2008, at least 41 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has declared that genocide is taking place. Twenty-one of these states have enacted divestment policies. By our calculation, as of December 31st, 2007, investments within the Alaska Permanent Fund totaling roughly $22 million, or about 0.06% of the fund's total market value, would be subject to divestment under legislation currently introduced in Alaska (HB 287, SB 227). If this legislation became law, divestment of these assets would be accomplished over an 18-month period and would incur additional administrative costs. The direct impacts of divestment on the state's investment earnings, as well as on targeted companies, are debatable, but in both cases would likely be minimal.

STATUS OF STATE DIVESTMENT LEGISLATION

As of January 28th, 2008, at least 41 states have adopted or are considering implementing policies to divest state assets from Sudan, where the U.S. Congress has declared that genocide is taking place.[1] Lawmakers in 16 states have enacted laws that require state funds to divest

[1] Data on state legislation are from LexisNexis and the Sudan Divestment Task Force's report "State of Sudan Divestment" (Attachment A) and chart of "Divestment Statistics" (Attachment B).

holdings in some or all companies operating in Sudan. Five additional states have adopted similar policies through their executive branches. Legislatures in Louisiana and Maryland, respectively, have passed weaker laws that encourage and allow divestment or encourage divestment and prohibit future investments. Lawmakers in another eighteen states are considering measures that address divestment from Sudan. In Table 1, we detail the status of state legislation related to divestment of public assets from Sudan.

The laws and pending legislation listed in Table 1 generally follow one of two models. Of the 41 divestment policies, 26—including that proposed in Alaska—follow a targeted approach that is applicable only to specific types of foreign companies operating in Sudan.[2] A targeted approach relies on the creation and maintenance of lists of companies that are deemed to be supporting the genocide in Sudan. Most of the targeted companies participate in Sudan's oil industry and pay taxes and royalties that fund the Sudanese government. States that do not follow a targeted divestment approach prohibit investment in any company operating in Sudan, though generally with an exception for humanitarian and various other types of organizations. A number of states (Colorado, Florida, Georgia, Kentucky, Louisiana, and Missouri) have also included other countries, such as Iran, North Korea, and Syria, in their divestment policies.

On December 31st, 2007, President Bush signed the Sudan Accountability and Divestment Act authorizing—but not requiring—state and local governments to disassociate from companies operating in Sudan and prohibiting the granting of new federal contracts to such companies.

As you may know, no domestic companies are affected by state divestment laws, because U.S. companies are prohibited from operating in Sudan by federal executive orders dating from 1997.[3]

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[2] Targeted divestment is advocated by the Sudan Divestment Task Force (SDTF), the leading advocacy organization on this issue. We include their model legislation as Attachment C and apply its provisions—which are substantially the same as those introduced in Alaska—in this report. According to the SDTF, 15 states have adopted versions of its model legislation on targeted divestment; however, we put Maryland in a different category and Table 1 lists 14 such states.

[3] Executive Orders 13067 (1997), 13400 (2006), and 13412 (2006).

Table 1: Status of State Legislation Related to Divestment of Public Funds from Sudan

State	Citation	Pending Legislation
Targeted divestment legislation		
California	Cal. Gov. Code § 7513.6 (2007)	
Colorado	Colo. Rev. Stat. § 24-54.8 (2007)	
Florida	Fla. Stat. § 215.473 (2007)	
Hawaii	Act No. 192, Session Law 2007	
Indiana	Ind. Code. Ann. § 5-10.2-9	
Iowa	Chapter 10a, Session Law 2007	
Kansas	Kan. Stat. Ann. § 74-4923 and 74-4960 (2007)	
Minnesota	Minn. Stat. § 11A.243 (2007)	
New Mexico	Executive Branch Policy	
New York[(a)]	Executive Branch Policy	
North Carolina	Session Law 2007-486	
Rhode Island	Chapter 93, Session Law 2007	
Texas	Tex. Govt Code Ann. § 806.001 (2007)	
Vermont[(b)]	Executive Branch Policy	
Alaska		HB 287, SB 227
Michigan		SB 0555, HB 4854
Nebraska		LB 992
New Hampshire		HB 1516
Ohio		SB 161
Oklahoma		HB 3058, SB 2146
Pennsylvania		HB 729
Tennessee		HB 2951, SB 3161
Utah		HB 138
Virginia		HB 556, SB 87
Wisconsin		AB 124, SB 57
West Virginia		HB 4096
Non-targeted (blanket) divestment legislation		
Illinois[(c)]	Public Act No. 95-521, Session Law 2007	
Maine	Me. Rev. Stat. Ann. tit. 5, § 1956 (2007)	
Massachusetts	Mass. Gen. Laws Ann. ch. 32, § 23 (2006)	
New Jersey	N.J. Stat. Ann. § 52:18A-89.9 (2007)	
Oregon	ORS § 293.811-817 (2006)	
Delaware		SB 9
Georgia		HB 256, SB 199
Kentucky		HB 25
Non-binding measures encouraging divestment		
Arkansas[(d)]	SCR 20 & Executive Branch Policy	
Connecticut[(d)]	Conn. Gen. Stat. § 3-21e (2007) & Executive Branch Policy	
Louisiana	La. Rev. Stat. Ann. § 11:312 (2007)	
Nevada[(e)]	Executive Branch Policy	
Maryland[(f)]	Md. Code Ann. § 21-123.1 (2007)	
Missouri		HCR 32
Wyoming		HB 245

NOTES: Pending legislation in some states may not have been captured by our search and this list should not be treated as exhaustive. (a) New York state and New Mexico pension funds have adopted a targeted divestment policy. (b) Vermont's pension fund has enacted a targeted divestment from Sudan. (c) Illinois' 2007 legislation replaced the state's 2005 law, which was found unconstitutional. (d) Arkansan and laws in Connecticut are non-binding, but the states have divested significant assets. (e) Nevada's governor and legislative leaders urged the adoption of a targeted divestment policy, but no action has been taken. (f) Maryland law encourages divestment and prohibits future investments in all companies with operations in Sudan. **SOURCES:** *Lexis.com*; Sudan Divestment Task Force's "State of Sudan Divestment" report (Attachment A); Sudan Divestment Task Force's "Divestment Statistics" chart (Attachment B).

By our calculation, as of December 31st, 2007, the balances of all state invested assets totaled approximately $70 billion.[4] Of these investments, a very small portion would be subject to divestment under a targeted approach.[5] Of the $39.8 billion in the Alaska Permanent Fund, we calculate that, as of December 31st, 2007, a maximum of about $22 million (about 0.06%) would require divestment using the Sudan Divestment Task Force's list of targeted companies (see Table 2). We found no targeted holdings in other state funds, including all state assets under the investment authority of the Alaska Retirement Management Board and the Department of Revenue.

Table 2: Alaska Permanent Fund Stock Holdings Subject to Divestment

Company	Market Value	Country
CHINA PETROLEUM (SINOPEC)	$ 10,455,130	China
ALSTOM	$ 9,268,789	France
PETROFAC LTD	$ 1,331,983	UK
WARTSILA	$ 867,531	Finland
LUNDIN PETROLEUM AB	$ 67,705	Sweden
CNPC HONG KONG LIMITED	$ 25,600	Bermuda
TOTAL	**$ 22,016,736**	

NOTES: Holdings subject to divestment determined using the Sudan Divestment Task Force's (SDTF) divestment lists. Some of the stocks listed above may be indirect holdings in actively managed investment funds, which are exempt from divestment under the SDTF targeted divestment model applied in this report.
SOURCES: Stock information current as of December 31, 2007 and availble on the Alaska Permanent Fund Corporation's website at *http://www.apfc.org/investments/stocks.cfm?us=show&int=show.*

Under the targeted divestment legislation currently under consideration in Alaska (HB 287, SB 227), divestment of the assets described in Table 2 would occur over an 18-month period following the effective date of the legislation. In the first step of the process, fund directors would be allowed 90 days to compile and adopt a "scrutinized companies list" based on criteria and sources outlined in the legislation. Following adoption of the list, the fund would be required to

[4] These funds include the Alaska Permanent Fund ($39.8 billion); funds under the fiduciary responsibilities of the Commissioner of Revenue, which include Alaska Retirement Management Board funds ($19.5 billion; including the Public Employees' Retirement System, Teachers' Retirement System, Judicial Retirement System, National Guard/Naval Militia Retirement System, Alaska Supplemental Annuity Plan, Alaska Deferred Compensation Plan, Alaska Defined Contribution Plan), General Fund and other Non-segregated Investments (GeFONSI; $5.5 billion), Constitutional Budget Reserve Fund ($3.1 billion), and other funds ($1.6 billion; including the Public School Trust Fund, Alaska Children's Trust, Investment Loss Trust Fund, Supplemental Benefits Trust Fund, General Obligation Bond Fund, International Airports Fund, International Airports Construction Fund, Retiree Health Insurance Fund, Power Cost Equalization Endowment Fund, Mine Reclamation Fund, and Alaska Sport Fish Construction Fund); and state funds outside the fiduciary responsibility of the Commissioner of Revenue ($0.4 billion; including the University of Alaska Trust Fund, Alaska Student Loan Corporation Fund, Exxon Valdez Oil Spill Investment Fund, and Mental Health Trust Reserve Fund). Information on state funds obtained from Pam Green, state comptroller, Alaska Department of Revenue, (907) 465-3751.

[5] Only the portions of funds with publicly-traded equity in targeted companies would be affected, which for these funds is typically a small proportion of total investments. Furthermore, the targeted approach we apply here includes an exception for indirect holdings in actively managed, commingled investment funds—the most difficult and expensive type of fund to customize.

contact all scrutinized companies in which they have holdings and allow them 90 days to change their offending operations before becoming subject to divestment. Within nine months of the adoption of the "scrutinized companies list," the fund would be required to complete the divestment of 50 percent of holdings in scrutinized companies. Within 15 months, 100 percent of holdings in scrutinized companies would be required to be divested. Funds would not be required to divest indirect, actively managed holdings. This timeframe is within that described by Alaska funds as reasonable.[6] Lastly, ongoing reporting requirements and the screening of future investments would be required.

The Alaska Permanent Fund and the Alaska Retirement Management Board expressed reservations about the wisdom of divestment, citing increased administrative costs and possible declines in fund performance.[7] We note, however, that recent divestment research we reviewed, which ultimately argues against divestment, concludes that fund performance changes are usually "negligible, and in most cases zero."[8]

Due to the nature of the global investment marketplace, it is debatable, but unlikely, that the divestment of Alaska public funds from targeted companies would have a direct, negative economic impact on those companies. Clearly, however, divestment laws have drawn considerable press attention and are a prominent factor in the ongoing debate regarding public response to the genocide occurring in Sudan.

I hope you find this information to be useful. Please do not hesitate to contact us if you have questions or need additional information.

[6] Personal correspondence with Laura Achee, research and communications liaison, Alaska Permanent Fund Corporation, (907) 796-1522. Ms. Achee stated that most of the assets could be divested in several weeks. However, managers of two accounts that do not allow customization would have to be replaced, a process which generally requires several months. Gary Bader, chief investment officer, Alaska Department of Revenue, (907) 465-4399, described a similar process, including the necessity to review contracts with seven asset account managers hired by the Alaska Retirement Management Board.

[7] Ms. Achee, research and communications liaison, Alaska Permanent Fund Corporation, expressed concern that new manager searches could yield managers that do not perform as well as current managers. Overall, in her view, divestment "would have a dampening effect on the Permanent Fund to some degree, without any guarantee that the actions would bring about the desired result in the targeted country." Gary Bader, chief investment officer, Alaska Department of Revenue, expressed his belief that Alaska funds would likely perform substantially worse after divestment.

[8] See page 6 of "Should Public Plans Engage in Social Investing?," a publication of the Center for Retirement Research at Boston College (Attachment D), for a description of empirical research on the impacts of divestment on fund performance.

Attachment A

Sudan Divestment Task Force

"State of Sudan Divestment"

http://www.sudandivestment.org/docs/state_of_sudan_divestment.pdf

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A project of the Genocide Intervention Network
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FAX (800) 991-2024
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WEB SITE www.SudanDivestment.org

The State of Sudan Divestment:

An Overview of States, Cities, Universities, Companies, and Private Pensions Currently Working on Sudan Divestment

December 24, 2005 (**UPDATED** ***October 26, 2007)***

A Report by
The Sudan Divestment Task Force

Table of Contents

I. Introduction

This State of Sudan Divestment report provides details on the progress of numerous states, cities, universities, and companies that have active divestment campaigns as well as the status of ex-Sudan investment offerings by asset managers and private pension plans. The report serves as a resource for various individuals and organizations examining the issue of divestment from companies that support the Government of Sudan as it commits genocide in the Darfur region of Sudan. To our knowledge, the current status of Sudan divestment as of August 2007 is as follows (please also see www.sudandivestment.org/home.asp#map):

The states of California, Colorado, Florida, Hawaii, Indiana, Iowa, Kansas, Minnesota, New York, Rhode Island, Texas, and Vermont have all adopted the Sudan Divestment Task Force model of targeted Sudan divestment. While the states of New Jersey, Illinois, Oregon, Maine, Connecticut, Maryland and Arkansas have all approved divestment plans. Finally, over a dozen states have active divestment movements with varying levels of involvement from state officials. Religious and international campaigns have also gathered steam; several religious organizations have divested or restricted future investments, including the Evangelical Covenant Church, National Ministries and Unitarian Universalist Church. Internationally, Canadian universities and provinces have initiated divestment campaigns and over half a dozen European countries have active divestment campaigns. Cities have contributed to the divestment movement as well: San Francisco, CA; Providence, RI; New Haven, CT; Philadelphia, PA; Denver, CO; Los Angeles, CA; Pittsburgh, PA and Miami Beach, FL have passed measures prohibiting certain Sudan investments while the fiduciaries of Buffalo, NY; Newton, MA, and other smaller cities are considering the issue. At the university level, over fifty institutions have enacted restrictions on Sudan investments. There are emerging or active Sudan divestment campaigns at over two dozen other colleges and universities. At the asset manager level, a grassroots campaign targeting Fidelity Investments and Warren Buffet's holding company, Berkshire Hathaway, has been initiated. Berkshire Hathaway holds roughly $3 billion in PetroChina, one of the primary offending companies in Sudan, making it the largest single shareholder in the company. At the private pension fund level, there is an active divestment campaign for TIAA-CREF, the nation's largest such fund. Finally, the investment community has begun to respond to investors demands for Sudan free investment opportunities. A limited number of ex-Sudan investment vehicles have been developed or are being developed by asset managers such as Northern Trust, Barclays Global Investors, State Street Global Advisors as well as several socially responsible investing firms. Third party research firms have begun to develop list of companies that meet the targeted divestment criteria. A number of Sudan-free mutual funds have also been recently introduced.

Below, we provide more detail and contact information on many of the campaigns mentioned above, as well as others not mentioned in this introduction. However, we acknowledge that other individuals and groups may be organizing without our knowledge. If you do have information on other campaigns, please e-mail us at info@sudandivestment.org so we can update this report.

II. State of Divestment: State Legislatures

The State of Sudan Divestment report provides a historical account of the divestiture movements in each state. This document does not address the specifics of each piece of legislation. Despite passing the Sudan Divestment Task Force model of targeted Sudan divestment legislation, each state labeled 'Divested: Task Force Model' will have unique legislation, subject to the amendment process in each respective legislature. These amendments do not compromise the integrity of the legislation. Rather, the amendments often deal with the specifics of implementation and reporting. Details on the nuances of each bill are available by email info@sudandivestment.org.

The overwhelming majority of Sudan divestment legislation is passed as a stand alone item. However, in some cases, bills have included multiple premises. These instances are noted and details are available by contacting us by email, info@sudandivestment.org.

Alabama (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/alabama

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
alabama@sudandivestment.org

Alaska (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/alaska

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
alaska@sudandivestment.org

Arizona (Campaign Initiated)

Legislative Status:

In the 2007 legislative session, Senator Paula Aboud and Representative Phil Lopes attempted to pass an amendment requiring divestment from Sudan, but this amendment was stripped in conference committee.

Representative Kyrsten Sinema has agreed to introduce legislation based off of the Sudan Divestment Task Force's targeted divestment model in the 2008 legislative session. The Arizona Education Association has endorsed targeted Sudan divestment.

Website and Articles:

http://www.sudandivestment.org/arizona

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
arizona@sudandivestment.org

Arkansas (Divested: Other Model)

Legislative Status:

In March 2007, the Arkansas General Assembly passed SCR20 which was sponsored by Senator Sue Madison. The resolution passed both houses of the Assembly and received the signature of Governor Beebe. SCR20 encourages Arkansas State Retirement Systems to identify their investments in companies operating in Sudan and then divest from these companies until the genocide in Darfur has ended.

The Arkansas Teachers Retirement System (ATRS), which oversees $11 billion in assets, voted to adopt a Sudan divestment policy. ATRS has no direct holdings in any of the worst offending companies as identified by the Sudan Divestment Task Force. ATRS has written to their fund managers requesting that they implement Sudan divestment policies. ATRS has acquired both the broader and more restrictive KLD list of companies and voted to adopt Sudan divestment based on the KLD list based off of Sudan Divestment Task Force criteria of targeted Sudan divestment.

The Arkansas State Employees Retirement System, which oversees $5 billion in assets, has written to their fund managers requesting that they comply with Senate Resolution 20, but have publicly stated that they do not intend to purchase or maintain a list of companies that operate in Sudan.

Bill Text:

http://www.arkleg.state.ar.us/2007/scripts/ablr/bills/bills.asp?billno=SCR20

Website and Articles:

http://www.sudandivestment.org/arkansas

Contact:

Sudan Divestment Task Force
arkansas@sudandivestment.org

California (Divested: Task Force Model)

Legislative Status:

On September 25, 2006, California Governor Arnold Schwarzenegger was joined by actors George Clooney and Don Cheadle, former Secretary of State George Shultz, executive members of the Sudan Divestment Task Force, and other community leaders at a public signing for AB 2941, adopting a targeted divestment policy for the California Public Employees Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS) and indemnifying the boards of both funds.

History:

In August 2005, the California legislature adopted Assembly Concurrent Resolution #11 (ACR11) which urges CalPERS and CalSTRS to encourage their portfolio companies doing business in Sudan "to act responsibly and not take actions that promote or otherwise enable human rights violations in the Sudan."[1]

Separately, in a letter dated August 8, 2005, CalPERS Board Members Willie Brown, Jr.

[1] http://www.leginfo.ca.gov/pub/bill/asm/ab_0001-0050/acr_11_bill_20050830_chaptered.html

and California Treasurer Phil Angelides requested that CalPERS ensure that the pension fund's investments in companies doing business in the Sudan are not contributing to genocide and human suffering in the Darfur region of that country. Specifically, the Treasurer and Member Brown's letter requested that staff provide to the Board a report identifying any companies that have business operations in the Sudan and the exact nature of those business activities. Secondly, they requested that CalPERS take all necessary steps to ensure that companies are not engaged in any business activities that in any way support genocide in Darfur, including directly engaging with each company.[2]

CalPERS followed up on Angelides' and Browns' request by:

(1) Building a coalition with four other public pension plans to establish an engagement process with companies doing business in Sudan.
(2) Building a second coalition of 50 pension funds that engaged the U.S. Department of Commerce, U.S. Department of State, U.S. Department of the Treasury, and the U.S. Securities and Exchange Commission.
(3) Engaging 46 external investment managers and 1,869 portfolio companies in an effort to identify companies that may be operating in Sudan.
(4) Identifying, through its coalition with four other public pension plans, five companies in the CalPERS portfolio to directly engage regarding business activities in the Sudan: ABB, Siemens, Alcatel, Total SA, and Royal Dutch Shell.
(5) Engaging those five companies to determine their relationship to the Sudanese government and the Darfur genocide.[3]

On December 12, 2005, CalPERS reported the results of its ongoing research and engagement process. Specifically, it noted that of the five initial companies it had investigated, ABB, Alcatel and Siemens all had business relationships with the Sudanese government or government-controlled entities. CalPERS staff reported that the other two companies, Total SA and Royal Dutch Shell, had operations in Sudan but no clear business affiliation with the Sudanese government.[4]

Based on CalPERS' findings, Treasurer Angelides recommended that CalPERS continue to monitor the Sudanese business activities of Total SA and Royal Dutch Shell while proposing that CalPERS "use the power of the funds' $200 billion investment portfolio to demand that… ABB, Ltd., Alcatel, and Siemens AG cease their business ties with the Sudanese government and all government-controlled entities." The CalPERS Board approved the Treasurer's proposal in a 9 to 2 vote on December 12, 2005.[5] The CalPERS staff also plans to continue its research and engagement process, reporting back to the CalPERS' Committee on Investments on a regular basis.

Also in December, Treasurer Angelides urged CalSTRS to divest from its PetroChina holdings following the fiasco and cover-up of the Nov. 13 PetroChina chemical spill in China. Angelides noted that the combination of PetroChina's negligent behavior at home and troubling relationship with the government of Sudan indicated that investment in the

[2] CalPERS Agenda Item 8a: Committee on Investments Meeting; September 19, 2005. http://www.calpers.ca.gov/eip-docs/about/board-cal-agenda/agendas/invest/200509/item08a-00.pdf
[3] *Id.*
[4] California State Treasurer News Release. December 12, 2005. http://www.treasurer.ca.gov/news/releases/2005/20051212_sudan.pdf
[5] *Id.*

company was too risky for CalSTRS. As is widely known, Angelides pointed out that PetroChina's parent company, the Chinese-government oil company China National Petroleum Corp., holds a 40% stake in the Sudanese-government created Greater Nile Petroleum Operating Company, which provides revenue to the Sudanese government.[6]

CalPERS subsequently sent letters of concern to Siemens, Alcatel, and ABB urging them to halt their business ties to Sudan. The companies' responded in the negative in the middle of February 2006.

CalSTRS researchers investigated divestment from multiple Sudan-related companies, including PetroChina. While letters were sent to these companies, CalSTRS staff research, at the time, determined that South African divestment by CalSTRS did not fulfill the prudent investor rule and that the fund would be vulnerable to liability if it were to divest from Sudan, no matter how few companies were under consideration. CalSTRS Trustee Roger Kozberg noted at the time, "Short of thermonuclear war, this [divestment] is a direction we ought not take."

Assembly Bill 2941, introduced by Assemblymember Paul Koretz, passed out of the Assembly by a bipartisan vote of 72-4 in May 2006 and passed out of the California Senate by a bipartisan vote of 29-7.

Independent Actions taken by the Pension Systems:

As follow-up to the April 2006 meeting of the CalSTRS Board (when they indicated their intent to divest and instructed staff to develop a financially prudent plan), CalSTRS agreed to the following Sudan policy in early June: CalSTRS "will actively engage management of companies with ties to the Sudanese government. If portfolio companies fail to comply with the fund's 20 risk factors [a set of social, moral, and economic risk factors that determines whether CalSTRS will invest in a company], CalSTRS will direct its active managers to find suitable alternate investments that wouldn't impair returns or add risk to the portfolio. CalSTRS' passive portfolios will stop buying shares of companies that violate pension fund policy." The California divestment bill, AB2941, would require CalSTRS to divest from passive holdings.

On May 15, 2006, CalPERS agreed to disinvest from the same nine companies from which the University of California had divested. While CalPERS had no current holdings in the nine companies, the Sacramento Bee noted, "Some CalPERS money managers include Bharat and Oil & Natural Gas as part of a benchmark used to measure their investment performance. Now, they will be specifically precluded from investing in the two Indian companies." This action was taken independently of AB 2941.

Bill Text:

http://www.leginfo.ca.gov/pub/bill/asm/ab_2901-

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[6] California State Treasurer News Release. December 2, 2005.
http://www.treasurer.ca.gov/news/releases/2005/20051202_petrochina.pdf

2950/ab_2941_bill_20060925_chaptered.html

Website and Articles:

http://www.sudandivestment.org/california

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
asterling@sudandivestment.org

Colorado (Divested: Task Force Model)

Legislative Status:

On April 19, 2007, Colorado Governor Bill Ritter signed House Bill 1184, Colorado's targeted Sudan divestment bill, into law.

Speaker of the House Andrew Romanoff and Senate President Pro-Tempore Peter Groff sponsored HB 1184, a bill based on the Sudan Divestment Task Force model of targeted divestment.

Additionally, HB 1184 was endorsed by the Public Employees' Retirement Association of Colorado (PERA).

Bill Text:
http://www.leg.state.co.us/Clics/Clics2007A/csl.nsf/fsbillcont3/C67D12670D14F9E787257251007B243B?Open&file=1184_ren.pdf

Website and Articles:

http://www.sudandivestment.org/colorado

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
Colorado@sudandivestment.org

Connecticut (Divested: Other Model)

Legislative Status:

A non-binding divestment resolution passed the Connecticut legislature and was signed by the governor on May 8, 2006. The non-binding resolution was requested by Treasurer

Denise Nappier, principal fiduciary of the $24 billion Connecticut Retirement Plans and Trust Funds (CRPTF), to affirm her statutory authority to divest from companies that her office identifies as offending. The legislation goes into extensive detail on what qualities a company may demonstrate to be offending. The legislation also gives significant leeway to Treasurer Nappier to decide what factors are important in determining if a particular company should be targeted. Nappier has emphasized that divestment would occur at the end of an engagement process with companies identified as offending.

Treasurer Nappier announced on May 9, 2007 that she is directing investment managers who invest the funds of the CRPTF to divest from Sinopec. As of April 30, the CRPTF held 12,439,950 shares with a market value of $11,085,867.72 in Sinopec. In addition, Nappier announced that she is prohibiting direct investment in the following 5 companies: Bharat Heavy Electricals Ltd., Nam Fatt Corp., Oil and Natural Gas Corp. (ONGC), PECD Group and Sudan Telecom (Sudatel). In addition to the above companies, investment in PetroChina has been prohibited since its initial public offering in 2000.

Staff of the Treasurer's office has initiated a dialogue with approximately 25 companies, and it is anticipated that additional companies will be contacted in the near future. According to the Treasurer's office, dialogue is ongoing with eight companies in which CRPTF's holdings are valued at approximately $100,000,000.

Full Text:

http://www.state.ct.us/ott/pressreleases/press2006/pr022306legislation.pdf

Website and Articles:

http://www.sudandivestment.org/connecticut

Contact:

Sudan Divestment Task Force
connecticut@sudandivestment.org

Delaware (Campaign Initiated)

In June 2007 the Delaware House of Representatives passed a non-binding resolution calling for targeted Sudan divestment.

Targeted Sudan divestment legislation will be introduced in 2008 by Senator Harris McDowell.

Website and Articles:

http://www.sudandivestment.org/delaware

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
delaware@sudandivestment.org

Florida (Divested: Task Force Model)

On June 8, 2007 Governor Charlie Crist signed legislation containing targeted Sudan divestment language.

Senate Bill 2142 was introduced by State Senator Ted Deutch, the bill language had multiple premises aside from Sudan divestment.

Bill Text:

http://www.flhouse.gov/Sections/Documents/loaddoc.aspx?FileName=_s2142er.html&DocumentType=Bill&BillNumber=2142&Session=2007

Website and Articles:

http://www.sudandivestment.org/florida

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
dmillenson@sudandivestment.org

Georgia (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/georgia

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
georgia@sudandivestment.org

Hawaii (Campaign Initiated)

Legislative Status:

On June 18th, 2007 Lieutenant Governor Duke Aiona signed House Bill 34, based on the Sudan Divestment Task Force model of targeted Sudan divestment.

House Bill 34 was introduced by State Representative Roy Takumi.

Bill Text:

HB 34: http://www.capitol.hawaii.gov/sessioncurrent/Bills/HB34_.htm

Website and Articles:

http://www.sudandivestment.org/hawaii

Contact:

Sudan Divestment Task Force
Hawaii@sudandivestment.org

Idaho (Campaign Initiated)

Legislative Status:

In 2007, a targeted Sudan divestment bill was voted down in committee.

In September, 2007, the Public Employee Retirement System of Idaho began offering Sudan Free fund options for beneficiaries investing into defined contribution plans (401(k) plans). This is the first such offering of public fund in the United States.

Acknowledging that a majority of Sudan Related Investments are in defined benefit plans, Idahoans are actively pursuing binding targeted Sudan divestment legislation for the 2008 session.

Website and Articles:

http://www.sudandivestment.org/idaho

Contact:

John Sullivan
idahodivestment@hotmail.com

Illinois (Divested: Other Model)

Legislative Status:

In June 2005, the Illinois state legislature passed into law a blanket Sudan divestment plan that affected the entire Illinois pensions system. The Illinois statute targeted all companies with ties to Sudan, and mandated divestment on all of the states investment vehicles.

In late February 2007, U.S. District Judge Matthew F. Kennelly ruled Illinois' blanket Sudan divestment statute to be unconstitutional. However, instead of striking down divestment per se as unconstitutional, Judge Kennelly defined certain limits to Sudan divestment statutes and ruled that Illinois had crossed those certain limits.

In response, Illinois Senator Jacqueline Collins has filed Senate Bill 1169, legislation intended to amend the law to bring it in line with constitutional requirements outlined by Judge Kennelly. The bill awaits approval from the Governor.

Bill Text:

http://www.ilga.gov/legislation/publicacts/fulltext.asp?Name=094-0079 (original statute)
http://www.ilga.gov/legislation/95/SB/09500SB1169sam002.htm (amended legislation)

Website and Articles:

http://www.sudandivestment.org/illinois

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Indiana (Divested: Task Force Model)

Legislative Status:

On May 3, 2007, Indiana Governor Mitch Daniels signed House Bill 1067, Indiana’s targeted Sudan divestment bill, into law. The law is based on the Sudan Divestment Task Force Model of targeted Sudan divestment, this language does not stand alone.

House Bill 1067 was based on legislation originally introduced by Indiana Representatives Matt Pierce and Cindy Noe and Senators John Broden and Gary Dillon.

Bill Text:

http://www.in.gov/legislative/bills/2007/HB/HB1484.1.html

Website and Articles:

http://www.sudandivestment.org/indiana

Contact:

Sudan Divestment Task Force
Indiana@sudandivestment.org

Iowa (Divested: Task Force Model)

Legislative Status:

On April 5, 2007 Iowa Governor Chet Culver signed Senate File 361; Iowa's targeted Sudan divestment legislation. The law is based on the Sudan Divestment Task Force Model of targeted Sudan divestment.

In addition to divesting Iowa's state pension plan from Sudan, the legislation also mandates targeted divestment from Sudan by the University of Iowa, Iowa State University, and the University of Northern Iowa.

State Representative Dawn Pettengill (D-39) had introduced House File 807 and Senator Michael Connolly (D-14) had introduced Senate File 361.

Bill Text:

http://coolice.legis.state.ia.us/Cool-ICE/default.asp?category=billinfo&service=Billbook&hbill=HF2241&menu=text

Website and Articles:

http://www.sudandivestment.org/iowa

Contact:

Sudan Divestment Task Force
Iowa@sudandivestment.org

Kansas (Divested: Task Force Model)

Legislative Status:

On May 11, 2007, Kansas Governor Kathleen Sebelius signed House Bill 2457, Kansas' targeted Sudan divestment bill, into law. The law is based on the Sudan Divestment Task Force Model of targeted Sudan divestment, the language does not stand alone.

House Bill 2457 was based on legislation originally introduced by Kansas Senator Donald Betts Jr.

Bill Text:

HB 2457: http://www.kslegislature.org/legsrv-bills/showBill.do?id=164697

Website and Articles:

http://www.sudandivestment.org/kansas

Contact:

Matthew Vines
Kansas@sudandivestment.org

Kentucky (Campaign Initiated)

In December 2006, the Board of Trustees of the Kentucky State Teacher's Retirement unanimously voted to adopt a non-binding policy of engagement with certain companies operating in Sudan.

A targeted Sudan divestment campaign seeking binding legislation has been initiated.

Website and Articles:

http://www.sudandivestment.org/kentucky

Contact:

Katie Savin
College Divestment Coordinator, Sudan Divestment Task Force
info@sudandivestment.org

Maine (Divested: Other Model)

Legislative Status:

In April 2006, Maine adopted a Sudan divestment statute, LD 1758, for all active investments in separately managed accounts held by the Maine State Retirement System (MSRS). Index funds and all commingled funds are excluded from the bill. The law requires divestment, "in accordance with sound investment criteria and consistent with the board's fiduciary obligations." MSRS utilizes information from the Sudan Divestment Task Force, direct correspondence from companies, and other data sources to develop and maintain their own divestment and engagement lists.

Separately, in January 2006, State Treasurer David Lemoine ordered the sale of all direct holdings in Schlumberger Ltd. stock held by Maine's $24 million State Held Trusts.

Bill Text:

http://janus.state.me.us/legis/LawMakerWeb/externalsiteframe.asp?ID=280019872&LD=1758&Type=1&SessionID=6

Website and Articles:

http://www.sudandivestment.org/maine

Contact:

Sudan Divestment Task Force
Maine@sudandivesment.org

Maryland (Divested: Other Model)

Legislative Status:

On April 10, 2007, Maryland Governor Martin O'Malley signed Senate Bill 543, a Sudan divestment bill, into law. The statute urges the Maryland State Retirement and Pension System to divest from any company with operations in Sudan and prohibits future investment in those companies.

Senate Bill 543 was introduced by State Senator Verna Jones.

Bill Text:

http://mlis.state.md.us/2007RS/billfile/sb0543.htm

Website and Articles:

http://www.sudandivestment.org/maryland

Contact:

Maggie Tiernan
Senior National Field Organizer, Sudan Divestment Task Force
Maryland@sudandivestment.org

Massachusetts (Campaign Initiated)

Legislative Status:

In early 2007, State Senator Harriette Chandler, Senator Edward Augustus and Representative Jay Kaufman introduced S2255, based off the Sudan Divestment Task Force targeted divestment model.

In June 2007, S2255 passed the Massachusetts State Senate. Subsequently, the Massachusetts House of Representatives passed S2255 in September.

Currently, S2255 awaits the signature of Governor Deval Patrick. The Governor has already publicly endorsed the legislation.

Bill Text:

S2255: http://www.mass.gov/legis/bills/senate/185/st02/st02255.htm

Website and Articles:

http://www.sudandivestment.org/massachusetts

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
Massachusetts@sudandivestment.org

Michigan (Campaign Initiated)

Legislative Status:

State Senator Hansen Clarke has introduced Senate Bill 0555, based off the Sudan Divestment Task Force model of targeted Sudan divestment. Senate Bill 0555 has been referred to the Senate Appropriations committee.

Companion House legislation, House Bill 4854, has been introduced by Representative Alma Wheeler Smith. House Bill 4854 has been referred to the Government Operations Committee.

Website and Articles:

http://www.sudandivestment.org/michigan

Bill Text:

SB 0555:
http://www.legislature.mi.gov/(S(1hts0p45adyonk450o14ld55))/mileg.aspx?page=getobject&objectname=2007-SB-0555&queryid=18337355

HB 4854:
http://www.legislature.mi.gov/(S(gxwbw4bh4gmqw5ahstnllnn4))/mileg.aspx?page=BillStatus&objectname=2007-HB-4854

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
swisor@sudandivestment.org

Minnesota (Divested: Task Force Model)

Legislative Status:

In May 2007, Governor Tim Pawlenty signed Senate File 1075, based on the Sudan Divestment Task Force model of targeted divestment.

Senate File 1075 was introduced by State Senator Sandra Pappas. Companion legislation, House File 1332, was introduced by State Representative Karen Clark.

Website and Articles:

http://www.sudandivestment.org/minnesota

Bill Text:

SF 1075:
http://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=S1075.1.html&session=ls85

HF 1332:
http://www.revisor.leg.state.mn.us/bin/bldbill.php?bill=H1332.0.html&session=ls85

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
swisor@sudandivestment.org

Missouri (Campaign Initiated)

Legislative Status:

In late 2005 a state-owned equity portfolio, the Missouri Investment Trust (MIT), put out a request for proposals to manage a $5 million international portfolio “terror-free.”

Despite the requirement that the entire portfolio, including any commingled or index funds, be terror-free and the portfolio was a mere $5 million, MIT received four bids, two of which were from leading Wall Street managers. In June 2006, MIT selected a State Street Global Advisors enhanced index fund to handle the $5 million investment. According to the state treasurer, State Street will subcontract with Conflict Securities Advisory Group to provide the list of identified stocks. Furthermore, the treasurer has stated that, "historical net return analysis shows no negative impact."

In 2007 Missouri House of Representatives Minority Leader Jeff Harris introduced a blanket Sudan divestment amendment which was stripped in conference committee.

A targeted Sudan divestment campaign has been initiated for the 2008 legislative session.

Website and Articles:

http://www.sudandivestment.org/missouri

Press Release:

http://www.treasurer.missouri.gov/pressroom/MITFund.html

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
Missouri@sudandivestment.org

Nebraska (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/nebraska

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
Nebraska@sudandivestment.org

Nevada (Campaign Initiated)

Legislative Status:

In June 2007 Governor Jim Gibbons joined with Senate Majority Leader William Raggio and Assembly Speaker Barbara Buckley, to encourage the Public Employees Retirement System of Nevada (PERS) to adopt a targeted Sudan divestment policy. PERS has not taken any subsequent action.

Website and Articles:

http://www.sudandivestment.org/nevada

Contact:

Nevada@sudandivestment.org

New Hampshire (Campaign Initiated)

Legislative Status:

State Representative Jeff Fontas has agreed to introduce targeted Sudan divestment legislation for the 2008 legislative session.

Website and Articles:

http://www.sudandivestment.org/newhampshire

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
info@sudandivestment.org

New Jersey (Divested: Other Model)

Legislative Status:

Since adopting a blanket divestment statute in July 2005, the state of New Jersey completed divestment of $2.16 billion from 17 companies identified has having an equity tie to the government of Sudan. The divestment's completion comes two years before the statute's mandatory deadline.

Website and Articles:

http://www.sudandivestment.org/newjersey

Bill Text:

http://www.njleg.state.nj.us/2004/Bills/AL05/162_.PDF

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

New Mexico (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/newmexico

Contact:

Sudan Divestment Task Force
newmexico@sudandivestment.org

New York (Divested: Task Force Model)

Legislative Status:

On June 11, 2007, New York State Comptroller Thomas P. DiNapoli announced that the New York State Common Retirement Fund, one of the largest pension funds in the country, will develop and implement a policy designed to place pressure on the Sudanese government to end the genocide currently taking place in Darfur. The Comptroller's policy will follow the Sudan Divestment Task Force's targeted Sudan divestment model.

The New York State Teachers' Retirement Fund has yet to make divestment commitments.

Press Release and Policy:

http://www.osc.state.ny.us/press/releases/june07/061107.htm

Website and Articles:

http://www.sudandivestment.org/newyork

Contact:

Sudan Divestment Task Force
NewYork@sudandivestment.org

North Carolina (Divested: Task Force Model)

Legislative Status:

State Representative Paul Luebke has introduced House Bill 291, targeted Sudan divestment legislation based on the Sudan Divestment Task Force's model in the 2007 legislative session.

In April 2007, House Bill 291 passed the house unanimously.

On July 27th, 2007, House Bill 291 received unanimous approval in the Senate.

On August 31st, 2007, Governor Mike Easley signed House Bill 291.

Additionally, on November 1, 2006 North Carolina Treasurer Richard Moore announced his decision to divest the North Carolina Retirement System (NCRS), the state's pension fund, from nine companies he identified as providing monetary or military support to the Sudanese government. The initial decision affected NCRS's assets in Bharat Heavy Metals, China Petroleum and Chemical Corp., Nam Fatt, Oil & Natural Gas Company, PECD Berhad, PetroChina Company, Sudan Telecom Company, Tatneft OAO and Videocon Industries Limited, assets totaling $24 million of the pension fund's $70 billion. The decision affects offending assets held in all of NCRS' applicable asset classes.

Website and Articles:

http://www.sudandivestment.org/northcarolina

Bill Text:

HB 291: http://www.ncga.state.nc.us/Sessions/2007/Bills/House/PDF/H291v2.pdf

SB 516: http://www.ncga.state.nc.us/Sessions/2007/Bills/Senate/PDF/S516v1.pdf

Contact:

Nina McMurry
Assistant Policy Director
NorthCarolina@sudandivestment.org

Ohio (Campaign Initiated)

Legislative Status:

State Senator Jeff Jacobson has introduced Senate Bill 161, based off the Sudan Divestment Task Force model of targeted Sudan divestment.

Senate Bill 161 has been referred to the Senate Finance Committee.

Media reports suggest that the state retirement systems have voluntarily agreed to divest their Sudan related assets. The Sudan Divestment Task Force is closely monitoring the possible implementation of this agreement.

Additionally, in January 2006, Ohio passed resolutions (SCR 17 and HCR 19) aimed at pressuring the U.S. Congress for increased action in Darfur and requesting that State pensions consider screening and divesting from Sudan-affiliated companies.

When the Ohio Retirement Study Council, who is charged with advising Ohio's pension funds and their $143 billion in assets, was contacted by the Task Force in July 2006 about HCR 19, the Director of the Council was unaware of the resolution.

Bill Text:

SB 161: http://www.legislature.state.oh.us/bills.cfm?ID=127_SB_161

SCR 17: http://www.gongwer-oh.com/126/resolutions/scr17.pdf

Website and Articles:

http://www.sudandivestment.org/ohio

Contact:

Sudan Divestment Task Force
ohio@sudandivestment.org

Oklahoma (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/oklahoma

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force

oklahoma@sudandivestment.org

Oregon (Divested: Other Model)

Since passing a divestment statute in Summer 2005, Oregon has divested 83% ($35 million) of total asset holdings it has in the first four companies it identified in December of 2005: ABB, PetroChina, Sinopec, and Tatneft.

Based on Oregon's divestment statute (Or. Laws Ch. 774), the fiduciary of Oregon's investments, the Oregon Investment Council (OIC), developed the following definition of "offending company" in a December 7th, 2005, meeting:

"Any sole proprietorship, organization, firm, association, corporation, utility, partnership, venture, public franchise, franchisor, franchisee or its wholly owned subsidiary that exists for profit-making purposes or otherwise to secure economic advantage…that is doing business in Sudan: maintaining equipment, facilities, personnel or any other apparatus of business or commerce in Sudan, including the ownership or possession of real or personal property located in Sudan."[7]

Similar to Illinois, Oregon provides the following offending company exemptions:

(1) Investments in companies that are engaged solely in the provision of goods and services intended to relieve human suffering or to promote welfare, health, education or religious or spiritual activities.
(2) Investments in United States companies authorized by the federal government to do business in Sudan.
(3) Investments in companies that are engaged solely in journalistic activities.[8]

In contrast to Illinois' broad definition of an offending company as any entity with an equity or *non-equity* tie to Sudan (e.g. companies that provide goods or services to, obtain goods or services from, or have distribution agreements with offending companies), Oregon's definition of offending companies focuses on businesses with an equity tie to Sudan—factories, facilities, land, property, labor, etc. Oregon's legislation, does, however, direct divestment at most types of funds (stocks, bonds, commingled funds, index funds, etc.) for most of the state's investments; some short term investment funds were excluded from the divestment bill in a compromise with the Oregon Treasurer's Office.[9]

Based on their definition of offending companies, the OIC chose four companies for their initial stage of divestment in December 2005: PetroChina, ABB Lt, Sinopec, and Taftnet (the Stanford Four). It is not clear how or why these four companies were chosen. While the initial round did not include divestment from "indirect" holdings such as index funds containing offending stock, part of the policy that was adopted in December 2005 was a placeholder policy for the future implementation of ex-Sudan index funds. According to John Turner, Chief of Staff for the principle sponsor of Oregon's divestment legislation (Oregon Representatives Peter Buckley), Oregon will implement "indirect" index fund

[7] OIC draft policy 4.01.15
[8] Section VII, Oregon SB 1089, Oregon Laws Ch 774. http://www.leg.state.or.us/05orlaws/sess0700.dir/0774ses.pdf
[9] Personal communication with John Turner, Chief of Staff to Oregon State Representative Peter Buckley; johnrturner@gmail.com

divestment once appropriate index funds become available.[10]

In the future, Oregon will continue to work with its external managers to identify and screen its portfolios with an emphasis on the external fund managers taking the lead. Part of Oregon's law requires these managers to "act reasonably" to investigate companies' ties with Sudan, screen investments containing Oregon assets, and report back to the Treasury on any action taken. On or before January 15 of each year, the State Treasurer will report to the Legislative Assembly on actions taken by the State Treasurer and the OIC.[11] The State Treasurer will consult with the council in preparing the reports. Presumably, this reporting requirement will allow Oregon's legislature to track divestment progress and raise concerns if asset managers aren't making reasonable progress.

Bill Text:

http://landru.leg.state.or.us/05reg/measures/hb3400.dir/hb3499.intro.html

Website and Articles:

http://www.sudandivestment.org/oregon

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Pennsylvania (Campaign Initiated)

Legislative Status:

State Representative Babette Josephs, chair of the House State Government Committee, has introduced House Bill 1140, based on the Sudan Divestment Task Force model of targeted Sudan divestment.

In July 2007 House Bill 1140 passed the Pennsylvania House of Representatives. The bill has been referred to the State Senate.

HB 1140:
http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=PDF&sessYr=2007&sessInd=0&billBody=H&billTyp=B&billNbr=1140&pn=1390

Website and Articles:

[10] *Id.*
[11] Please see the 2007 report for more information. http://www.sudandivestment.org/docs/Oregon Sudan Divestment 2007 Report from Treasurer.pdf

http://www.sudandivestment.org/pennsylvania

Contact:

Alexa Malishchak
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Pennsylvania@sudandivestment.org

Rhode Island (Divested: Task Force Model)

Legislative Status:

On June 22nd, 2007 Governor Donald L. Carcieri signed Senate Bill 87 and House Bill 5142, both based off the Sudan Divestment Task Force model of targeted Sudan divestment.

Website and Articles:

http://www.sudandivestment.org/rhodeisland

Contact:

Scott Warren
Senior National Field Organizer, Sudan Divestment Task Force
RhodeIsland@sudandivestment.org

South Carolina (Legislation Failed)

Legislative Status:

State Senator Joel Laurie had introduced Senate Bill 241, based of the California targeted Sudan divestment statute, however, the bill failed to pass the 2007 legislative session.

The South Carolina Retirement System doesn't currently hold international equity investments and therefore has no investments in companies targeted by the Sudan Divestment Task Force.

Website and Articles:

http://www.sudandivestment.org/southcarolina

Contact:
Southcarolina@sudandivestment.org

Tennessee (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/tennessee

Contact:

Max Croes
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Tennessee@sudandivestment.org

Texas (Divested: Task Force Model)

Legislative Status:

On June 15th, 2007 Governor Rick Perry held a public signing for Senate Bill 247, based off the Sudan Divestment Task Force model of targeted Sudan divestment.

Senator Rodney Ellis had introduced Senate Bill 247 and Representative Corbin Van Arsdale had introduced House Bill 667, companion legislation in the House of Representatives.

Website and Articles:

http://www.sudandivestment.org/texas

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
Texas@sudandivestment.org

Utah (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/utah

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
Utah@sudandivestment.org

Vermont (Divested: Task Force Model)

Legislative Status:

In February 2007, Vermont State Treasurer Jeb Spaulding oversaw the state pension fund's targeted divestment from Sudan. Vermont became the second state to adopt the Task Force's model for targeted divestment and the seventh state overall to divest from Sudan.

Website and Articles:

http://www.sudandivestment.org/vermont

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
Vermont@sudandivestment.org

Virginia (Campaign Initiated)

Legislative Status:

In early 2007, Virginia Delegates Shannon Valentine and John O'Bannon introduced HB 1828, based off the Sudan Divestment Task Force model of targeted Sudan divestment. State Senators Ken Cuccinelli, Jeannemarie Devolites Davis, and Patricia Ticer filed SB 1331, companion legislation in the Senate.

HB 1828 died in the Subcommittee on Compensation and Retirement for the House Appropriations Committee.

SB 1331 unanimously passed the Senate and passed the House Committee on Appropriations with a substitute. After the substitute failed to pass the Senate, a conference committee was established, but no compromise was reached and SB 1331 died in committee.

In 2008, targeted Sudan divestment legislation will be introduced in the House of Delegates by Delegates Shannon Valentine and John O'Bannon. Companion Senate legislation is anticipated.

Website and Articles:

http://www.sudandivestment.org/virginia

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
Virginia@sudandivestment.org

Washington (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/washington

Contact:

Nina McMurry
Advocacy Analyst, Sudan Divestment Task Force
Washington@sudandivestment.org

West Virginia (Campaign Initiated)

Legislative Status:

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/westvirginia

Contact:

Max Croes
Advocacy Associate, Sudan Divestment Task Force
westvirginia@sudandivestment.org

Wisconsin (Campaign Initiated)

Legislative Status:

State Representative Fred Kessler (D-Milwaukee) has introduced AB 124 and State Senator Sheila Harsdorf (R-River Falls) has introduced SB 57. Both bills are based on the Sudan Divestment Task Force model of targeted divestment.

Assembly Bill 124 has been referred to the committee on financial institutions. Senate Bill 57 has been referred to the committee on Veterans and Military Affairs, Biotechnology and Financial Institutions.

Website and Articles:

http://www.sudandivestment.org/wisconsin

Contact:

Scott Warren
Senior National Field Organizer, Sudan Divestment Task Force
Wisconsin@sudandivestment.org

III. State of Divestment: Cities and Municipalities

Atlanta, Georgia (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=257

Contact:

Daniel Millenson
National Advocacy Director
dmillenson@sudandivestment.org

Buffalo, NY (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=180

Contact:

Maggie Tiernan
Senior National Field Organizer, Sudan Divestment Task Force
mtiernan@sudandivestment.org

Cambridge, MA (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=64

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
dmillenson@sudandivestment.org

Denver, CO (Divested: Task Force Model)

The Denver Employees retirement Plan (DERP) adopted the Sudan Divestment Task Force model of targeted Sudan divestment on April 20, 2007.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=192

Contact:

Scott Wisor
Senior National Field Organizer
swisor@sudandivestment.org

District of Columbia (Campaign Initiated)

The District of Columbia City Council subcommittee on Finance and Revenue passed targeted Sudan divestment bill 17-134. The City Council will vote on the bill for 1st and 2nd readings. Tentative dates for these votes are September 18th and October 2nd respectively. Bill 17-134 has the support of several Council members. In addition, the

Chief Financial Officer has granted a positive reporting regarding the potential implementation of the legislation.

Bill Text:

www.sudandivestment.org/docs/DC_Bill.pdf

Bill Report:

www.sudandivestment.org/docs/DC_Bill_Report.pdf

Website and Articles:

http://www.sudandivestment.org/districtofcolumbia

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
dc@sudandivestment.org

Los Angeles County, CA (Non-Binding Policy)

In early 2007, the Los Angeles County Board of Supervisors voted unanimously to request the county's retirement system to divest from businesses that have interests in Sudan, and to utilize support from the Sudan Divestment Task Force in compiling a list of companies.

In response to the Board of Supervisors, the Los Angeles County Employee Retirement Association (LACERA) Board of Investments adopted a policy that would require the fund's managers to move invest in "Sudan-free" options that were deemed of equal financial merit to existing investments.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignid=188

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
asterling@sudandivestment.org

Los Angeles, CA (Divested: Task Force Model)

On May 8th, 2007, the Los Angeles City Employee Retirement System (LACERS) Board of Administration approved a policy of Sudan divestment. The policy involves a six month period of engagement followed by divestment if companies prove to be unresponsive. LACERS has targeted ten companies, notably, they have holdings of approximately $3.4 million in China Petroleum and Chemical Corporation (Sinopec), PetroChina, and Oil and Natural Gas Company (ONGC).

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=62

Press Release:

http://www.lacers.org/AboutLACERS/_News/2007/PressRelease/2007-05-08-CITY%20RETIREMENT%20SYSTEM%20TO%20DIVEST%20FROM%20SUDAN.pdf

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
asterling@sudandivestment.org

Miami Beach, FL (Divested: Task Force Model)

On July 11, 2007, the Miami Beach City Commission voted unanimously to adopt a resolution introduced by Mayor David Dermer containing targeted Sudan divestment for the city's investments. The resolution is modeled after a similar Florida state law.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=259

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
info@sudandivestment.org

New Haven, CT (Sudan Investments Restricted)

In April 2006, New Haven became the second city in the US to approve a divestment plan, divesting from the 7 companies that Yale University blacklisted in early 2006.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=63

Contact:

Lauren Jacobson
Yale University Student
lauren.jacobson@yale.edu

Newton, MA (Divested: Task Force Model)

On November 6, 2006, the Newton Board of Alderman voted 24-0 to adopt a targeted Sudan divestment ordinance for the city's investments. The ordinance has been signed by the Mayor.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=66

Contact:

Ken Parker
Newton Alderman-at-Large
ken@kenparker.org

New York, NY (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated. Council members Eric Gioia and David Yassky have introduced a non-binding targeted divestment resolution before the New York City Council.

Resolution Text:

http://webdocs.nyccouncil.info/textfiles/Res%200695-2007.htm?CFID=1971078&CFTOKEN=31552339

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=183

Contact:

newyork@sudandivestment.org

Philadelphia, PA (Divested: Task Force Model)

On September 27, 2006, the Philadelphia city pension board voted to adopt and implement the Sudan Divestment Task Force model of targeted divestment. The city will remove separately managed (direct) holdings in two offending companies, Petronas and Schlumberger, and will bar future direct investments in 23 additional offending companies. Furthermore, the city will require its commingled fund managers to create sub-funds for the city that are devoid of the targeted offending companies. The fund managers will have four months to remove 50% of the offending assets and nine months to complete the creation of the Sudan-free sub funds. If the money managers fail to comply, the city will remove itself from that manager's fund.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=65

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
dmillenson@sudandivestment.org

Pittsburgh, PA (Divested: Task Force Model)

On March 8, 2007, the Board of Directors of the Comprehensive Municipal Pension Trust Fund of Pittsburgh instructed fund managers to divest from targeted companies doing business in Sudan. Asset managers will immediately divest $385,000 from Schlumberger and will not make future investments in offending companies. Asset managers are currently screening their commingled holdings for offending companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=163

Contact:

Pennsylvania@sudandivestment.org

Prospect, KY (Non-Binding Resolution)

In June 2005, the city of Prospect, KY passed a non-binding resolution calling for city investment managers to divest. No action has been reported.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=68

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Providence, RI (Divested: Task Force Model)

With a unanimous vote by the city council on April 20, 2006, Providence, Rhode Island became the first U.S. city to divest from Sudan, utilizing the Sudan Divestment Task Force model of targeted Sudan divestment. According to a recent Yale Daily News story, "The only investment that will be immediately affected by the city's move is an $800,000 share in Alcatel SA, a French telecommunications company."

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=60

Contact:

Scott Warren
Senior National Field Organizer, Sudan Divestment Task Force
swarren@sudandivestment.org

San Francisco, CA (Divested: Task Force Model)

On November 14th 2006, the San Francisco Employee Retirement System (roughly $15 billion in assets) adopted a Sudan divestment policy similar to the recommended model of the Sudan Divestment Task Force. The system will adopt a list of worst offending companies, engage them in an expedited timeframe, and divest holdings in those companies unwilling to take substantive action. As it now stands, the policy deviates from the Task Force's model by only applying to actively managed, separate accounts (rather than all separately managed accounts). However, the system's Board (composed of 7 trustees) specifically asked for a cost analysis of divestment from passive separately managed accounts (index funds), which will be presented to the Board in January. The Board will then decide whether to include passively managed holdings in the divestment plan at that time. Additionally, the system will continue to engage with all companies linked to Sudan, and will actively engage their commingled fund managers on the issue.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=61

Contact:

Jason Miller
National Policy Advisor, Sudan Divestment Task Force
jmiller@sudandivestment.org

Worcester, MA (Divested: Task Force Model)

Worcester's targeted Sudan divestment policy was introduced by Councilor-at-Large, Michael Perotto. The policy was endorsed by all 11 members of the city council.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=274

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
dmillenson@sudandivestment.org

IV. State of Divestment: International and Religious

Aegis Trust

Aegist Trust, in partnership with the Save Darfur Coalition, is working to seed and development Darfur advocacy movements in ten foreign countries, each with a focus on divestment (and related advocacy work, including company engagement and sanctions). Aegis Trust has identified ten target countries to begin campaigns: Australia, Brazil, Belgium, Canada, France, Germany, Italy, India, Japan, Malaysia, Portugal, Sweden, South Africa, and the UK.

Website and Articles

www.darfurdivestment.org

Contact:

Shoshana Bloom
International Divestment Coordinator, Aegis Trust
Shoshana.Bloom@aegistrust.org

American Jewish World Service (Sudan Investments Restricted)

American Jewish World Service resolved to divest its holdings from companies doing business in Sudan and is urging cities and states to pass targeted divestment legislation.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=216
http://action.ajws.org/ajws_centerhome/divest.html

Contact:

American Jewish World Service
ajws@ajws.org

Australia (Campaign Initiated)

In partnership with Aegis Trust the Darfur Australia Network has initiated a targeted Sudan divestment campaign.

Website and articles:

http://www.darfurdivestment.org/Australia_Home/

Contact:

Scott Wisor
Senior National Field Organizer
swisor@sudandivestment.org

Boston Foundation (Sudan Investments Restricted)

The Boston Foundation, one of the oldest and largest community foundations in the nation with assets of over $830 million, has devised a new strategy for targeted divestment of indirect holdings from Sudan. The strategy, called "short-selling," achieves divestment without disrupting the investment program of the Foundation.

"The strategy devised by the Boston Foundation is a true 'silver bullet,'" said Eric Reeves, professor at Smith College and noted expert on Sudan. "This removes the last impediment for large-scale investors because it makes it possible to offset pooled investments in Sudanese oil development and the companies doing business in this and other commercial sectors that support a genocidal regime."

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=218

http://www.tbf.org/

Contact:

Boston Foundation
info@tbf.org

Canada (Campaign Initiated)

A coalition of Canadian college students has launched a number of targeted university divestment campaigns. Queen's University has become the first Canadian university to divest from Sudan.

The Standing Committee on Foreign Affairs and International Development has passed a motion to discuss targeted Sudan divestment. The resolution was introduced by MP Alexa McDonough. Targeted Sudan divestment has been endorsed by several other members of parliament.

In the fall of 2007 divestment campaigns will be launched at the national and provincial levels. This comes in addition to the ongoing university divestment efforts.

Website and Articles:

http://www.standcanada.org/index.php/take_action/divestment_campaign

Contact:

Ira Goldstein
STAND Canada
3ig5@qlink.queensu.ca

European Parliament

Earlier this month a resolution was approved by European Parliament regarding the deteriorating humanitarian crisis in Darfur. The resolution made the following assessment of the Sudanese oil industry, "power and wealth, now expanded thanks to oil revenues, is very much concentrated in the centre, to the disadvantage of those in the periphery." The resolution calls on "EU Member States to encourage divestment of European companies and funds from Sudan." This resolution confirms the internationalization of the divestment movement and adds momentum to burgeoning divestment campaigns underway in over half a dozen European countries.

Website:

http://www.europarl.europa.eu/search/motion/perform.do?query=darfur&language=EN

Contact:

info@sudandivestment.org

Evangelical Covenant Church (Sudan Investments Restricted)

At the June 2007 Annual Meeting of The Evangelical Covenant Church, a resolution was adopted directing the Covenant's institutions with investments operating in the Republic of Sudan to divest of all stocks, securities or other obligations (including endowment and retirement programs) from those companies as determined inappropriate by the Sudan Divestment Task Force. Sale of offending securities will occur during the next annual audit, and member churches and individuals of the ECC will be encouraged to conduct a social audit of personal holdings and investments with information provided on the ECC website directing how this may be accomplished.

Resolution Text:

http://www.covchurch.org/resolutions/2007-divestment-sudan

Websites and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=267

Contact:

info@sudandivestment.org

Germany (Campaign Initiated)

A campaign has been initiated by Rettet Darfur, an advocacy organization that is a partnership between Fair Planet and the Society for Threatened Peoples.

Websites and Articles:

http://www.darfurdivestment.org/Germany/

Contact:

Jenny Collier
Jenny.Collier@fairplanet.net

India (Campaign Initiated)

A campaign has been initiated in India to pressure the Indian government to increase pressure on the government in Khartoum as well as to pressure Indian companies to take substantial action to alter their business operations in Sudan.

Contact:

Nick Robinson
Nickrobinson5@gmail.com

Ireland (Campaign Initiated)

A campaign was initiated in September 2006 to investigate any investments Ireland's National Pension Reserve Fund (NPRF) may have in companies of concern. A subsequent report, *Irish Investment in Genocide*, detailed holdings of over €460million in firms who warrant various degrees of engagement and divestment, including two of the worst offenders, PetroChina and ONGC.

After consultations with legislators in both the Dáil and the Seanad, a meeting with the Minister of State for Foreign Affairs, Conor Lenihan TD was obtained on the 9th of November. The Minister pledged to speak with the NPRF about the investments, but noted that any action would have to take place within the framework of the UN's Principles for Responsible Investment, to which the NPRF is a founding signatory. The Principles require signatories to bring their investments within the orbit of various ethical norms, and they mandate engagement and bloc-voting as a way of influencing positive changes in corporate policy.

Ireland had signed up to the UN Principles when they were launched by Secretary-General Kofi Annan in April 2006, but no tangible steps had yet been taken – as of November 2006 – to ensure that the NPRF fully lived up to its commitments. At the urging of the Task Force, the Minister met with the controllers of the fund, and a subsequent press release stated the fund's intention to "fully" implement the UN Principles on Responsible Investment. Subsequent entreaties from the Task Force to the NPRF secured a commitment to make Sudan-related investments a "priority" when a review of investments is carried out in the next few months.

While targeted divestment is not within the mandated options currently being considered by the NPRF, they have pledged to engage fully and publicly with companies – pending the outcome of an upcoming review – which they find are having a deleterious effect with regard to Darfur. The Task Force will be continuing to urge targeted divestment – through the media to ensure that commitments that have been made thus far are adhered to.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=162

Contact:

Sean Coleman
Ireland Campaign Manager, Sudan Divestment Task Force
scoleman@sudandivestment.org

Jewish Council for Public Affairs (JCPA)

The Jewish Council for Public Affairs passed a resolution calling on communities to support the campaign for targeted divestment from Sudan as led by the Sudan Divestment Task Force.

Resolution text:

http://www.e-guana.net/organizations/org/DivestmentFromSudan-final-1.doc

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=248

Contact:

Jewish Council for Public Affairs
contactus@thejcpa.org

National Association for the Advancement of Colored People (NAACP)

The NAACP has joined in partnership with the Sudan Divestment Task Force and the Save Darfur Coalition to raise awareness of the situation in Darfur and to assist the divestment movement.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=250

Press Release:

http://www.naacp.org/get-involved/activism/alerts/110aa-2007-6-29/

Contact:

Crispian Kirk
NAACP
Criskirk01@gmail.com

National Council of Jewish Women (Sudan Investments Restricted)

On March 18, 2007, the delegate body of the National Council of Jewish Women (NCJW) voted in favor of divesting from Sudan. The same vote also granted the NCJW's endorsement to the national targeted Sudan divestment operation. The NCJW will take actions to encourage their partners and communities to divest from Sudan.

Website:

http://www.ncjw.org

http://www.sudandivestment.org/campaigns.asp?campaignID=245

Press Release:

http://www.ncjw.org/html/News/PressReleases/070323/

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
info@sudandivestment.org

National Ministries, USA (Sudan Investments Restricted)

On June 23, 2006, the Finance Committee of the Board of National Ministries voted unanimously to divest holdings from companies with direct business interests in Sudan. The Task Force is currently following up with National Ministries to acquire further information.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=154

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Presbyterian Church, USA (Ongoing Engagement)

The Mission Responsibility Through Investment Committee (MRTI) of the Presbyterian Church has been examining the issue of Sudan divestment and will submit a written report on that subject to the General Assembly in September 2007. No investments in

"Highest Offender" companies currently exist and no purchases are anticipated. For the few "Category Two" companies in which PCUSA holds stock, engagement will be undertaken.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=151

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
info@sudandivestment.org

Providers' Council (Sudan Investments Restricted)

On April 4, 2007, the Board of Directors of the Providers' Council voted unanimously to divest the organization of any and all material investments in companies who have business ties to the Sudanese government.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=237

http://www.providers.org

Press Release:

http://www.providers.org/mediaresources/pressreleases/sudanrelease.doc

Full Resolution Text:

http://www.providers.org/mediaresources/pressreleases/darfurresolution.doc

Contact:

Bill Yelenak
Providers' Circle
byelenak@providers.org

Save Darfur Coalition

In 2007 the Save Darfur Coalition launched a campaign to urge various mutual fund families, such as Fidelity Investments, to divest from worst offending companies operating in Sudan, as identified by the Sudan Divestment Task Force.

Website and Articles:

http://www.divestfordarfur.org

http://www.sudandivestment.org/campaigns.asp?campaignID=247

Contact:

Zahara Heckscher
Save Darfur Coalition
zahara@savedarfur.org

South Africa (Campaign Initiated)

A divestment campaign has been initiated by Shikaya, an independent NGO in South Africa.

Website:

http://www.darfurdivestment.org/South_Africa_Home/

Contact:

Dylan Wray
Dylan@shikaya.org

Sudan

Sudan's US embassy issued a press release in mid-April denouncing the US divestment movement. This represents the first official response of the Sudanese government to the burgeoning movement and comes several weeks after US State Department officials also referenced the divestment movement.

In a conference call to Sudan's Ambassador to the US, religious community members from Indiana expressed their strong interest in a variety of Darfur-related issues. Despite a wide-range of topics, the Sudanese Ambassador continually returned back to the topic of divestment. Indiana activists communicated to the Ambassador that they intend to pursue Indiana divestment unless the government of Sudan changes its behavior in Darfur. The Ambassador expressed strong objections to such action.

In a letter to the editor of the Washington Times, a former Ambassador to the US for Sudan wrote against divestment, claiming it would only derail the peace process (read the letter: http://washingtontimes.com/commentary/20061021-104509-5050r.htm).

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=47

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Union for Reform Judaism (Sudan Investments Restricted)

On March 22, 2007, the Reform Pension Board voted to direct its investment managers to divest any and all investments in companies identified by the Sudan Divestment Task Force as soon as possible and not to exceed three months.

The Executive Committee of the Union for Reform Judaism's Board of Trustees has also voted to support the targeted divestment campaign as an organizational tenet.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=244

http://urj.org/index.cfm

Resolution Text:

http://urj.org/Articles/index.cfm?id=13761&pge_prg_id=42922&pge_id=1625

Contact:

Allison Grossman
Union for Reform Judaism
agrossman@rac.org

Unitarian Universalist Association (Sudan Investments Restricted)

The Unitarian Universalist Association (UUA) has publicly stated its support of the divestment movement. The organization followed its their public support by divesting the association's direct holdings in offending companies operating in Sudan. The UUA subsequently moved $11 million in funds from a mutual fund with Sudanese investments. Furthermore, they have urged the 2,700 individual participants of their retirement plan to move their investments to Sudan-free alternatives.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=252

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
info@sudandivestment.org

United Kingdom (Campaign Initiated)

Sudan Divestment UK has been launched with support from the Sudan Divestment Task Force, Aegis Trust, and Waging Peace. A national campaign has been initiated and campaigns have been initiated at four universities. For a more complete report on divestment in the United Kingdom, please visit the Sudan Divestment UK's website.

UK divestment was bolstered on April 27th, 2007, when front benchers from both the Conservative Party and Liberal Democratic Party publicly expressed support for targeted Sudan divestment.

Website and Articles:

http://www.sudandivestment.co.uk/

Contact:

Hamish Falconer
Sudan Divestment UK
hfalconer@sudandivestment.org.uk

United Jewish Communities (Divested: Task Force Model)

In June 2007, the United Jewish Communities passed a resolution directing UJC to divest of direct investment in Sudan.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=255

Contact:

Adam Sterling
Director, Sudan Divestment Task Force
info@sudandivestment.org

Other International Campaigns

The Task Force has been independently contacted by several other prominent international pension boards and members of foreign governments interested in pursuing targeted Sudan divestment. Given the confidential nature of many of these conversations, SDTF will not publish information on these campaigns until they become public.

Contact:

info@sudandivestment.org

V. State of Divestment: Universities

American University (Sudan Investments Restricted)

In mid-September 2006, American University Board of Trustees adopted a policy to divest direct holdings in companies doing business in the oil and gas sector in Sudan, and to communicate its decision to its commingled investment managers and advisors.

University Memorandum:

http://www.american.edu/trustees/statements/09222006.html

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=37

Contact
Michael Haack
CASJ Working Group on Sudan Divestment
mike.haack@gmail.com

Amherst (Sudan Investments Restricted)

In January 2006, the Amherst College Board of Trustees voted to disinvest direct holdings in 21 (an additional company was subsequently added) companies and write the college's commingled fund managers informing them of Amherst's position.

Policy:

Those companies are listed below and were selected based on the criterion of:

1. Multinational companies that have direct business ties to the Sudanese government; or
2. Multinational companies whose business activities are in direct support of these companies and the activities of the government of the Sudan.

(1) ABB Ltd., (2) Oil & Natural Gas Co. Ltd. (ONGC Videsh Ltd), (3) Alcatel SA, (4) Royal Dutch Shell Plc, (5) Alstom S.A., (6) Schlumberger Ltd., (7) China National Offshore Oil Corp., (8) Siemens AG, (9) China National Petroleum Corp. (PetroChina), (10) Sumatec Resources (IR OilRigs International Ltd), (11) China Petroleum and Chemical Corp. (Sinopec), (12) Tatneft, (13) Harbin Power Equipment Co. Lt, (14) Telefonaktiebolaget LM , (15) Ericsson (Ericsson LM Telephone Co), (16) Lundin International SA, (17) Videocon Industries Ltd., (18) Nam Fatt Co. Bhd, (19) Weir Group PLC (Weir Pumps Ltd.), (20) Oil & Natural Gas Co. Ltd. (Arakis Energy), (21) Ranhill Bhd

According to an Amherst press release, in voting for the resolution, trustee Joseph Stiglitz '64, a Nobel Prize-winning economist and a member of the faculty at Columbia University School of Business, noted that investment in the companies on Amherst's list wasn't creating jobs for the people in the region. "In this case, I see little or no benefit to investment; but I do see enormous costs," he said.

Amherst College President Anthony W. Marx, who lived and worked in South Africa after graduating from college and whose subsequent scholarly research has focused in part on political change in that nation, noted that divestment has the potential to help build pressure that can contribute to powerful political change. "The Amherst Board has been thoughtful and exacting in outlining its plans for using our influence consistent with the college's principles, and in demonstrating how an institution can act in accordance with such principles," Marx said. "We have tried to set clear criteria for the companies on our list, and we will be clear about communicating those criteria to the public. Further, we hope to do what so many other colleges and universities have not: to communicate to our fund managers our concerns and expectations, and to inspire them to examine their own investments in this region."

Resolutions:

http://www.amherst.edu/magazine/darfur/

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=12

Contact:

Amos Irwin
Amherst Student
aeirwin@amherst.edu

Andover Newton Theological School (Sudan Investments Restricted)

On December 13, 2006, the Board of Trustees of Andover Newton Theological School unanimously voted to divest from Sudan using the Task Force's targeted model of divestment.

Press Release:

http://www.ants.edu/about/news/2006/121306sudan.htm

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignid=178

Contact:

info@sudandivestment.org

Bennington College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=223

Contact:

divest@standnow.org

Boston College (Campaign Initiated)

Boston College has not comprehensively restricted Sudanese investments. The College, hired Institutional Shareholder Services to determine companies that should be considered for divestment. ISS determined that only five companies warranted divestment; Sinopec, Nam Fatt, India's Oil and Natural Gas Corporation, PetroChina, and Tatneft. BC holds no investments in any of these companies. As such, they have restricted future investment in the aforementioned five companies.

The campaign to divest BC continues. BC students have determined that the ISS list is far from comprehensive and the University instead needs to adopt the Sudan Divestment Task Force's *Company Report* as a template for engagement and divestment.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=173

Contact:

Stephanie Andrews
Boston College Student
andrewsx@bc.edu

Boston University (Sudan Investments Restricted)

According to statements by Boston University, the University has prohibited future direct investments in 20 multinational companies (i) identified as having direct business ties to the Sudanese government, or (ii) whose business activities are in direct support of these companies and the activities of the government.

Policy:

The companies included in the Boston University's policy are as follows:

(1) ABB, (2) Ltd.Alcatel SA, (3) Alstom S.A., (4) China National Offshore Oil Corp., (5) PetroChina, (6) Sinopec, (7) Sinopec, (8) Harbin Power Equipment Co. Ltd, (9) Lundin International SA, (10) Nam Fatt Co. Bhd, (11) Oil & Natural Gas Co. Ltd. (Arakis Energy), (12) ONGC Videsh Ltd, (13) Royal Dutch Shell Plc, (14) Schlumberger Ltd., (15) Siemens AG, (16) Sumatec Resources, (17) Tatneft, (18) Telefonaktiebolaget LM Ericcson, (19) Videocon Industries Ltd., (20) Weir Group PLC (Weir Pumps Ltd.)

Press Release:

http://www.bu.edu/phpbin/news-cms/news/?dept=4&id=39205&template=4

President's statement:

http://www.bu.edu/president/announce/letters/2006/5-10/

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=43

Contact:

Anne I. Chen
aichen@bu.edu

Bowdoin (Non-Binding Resolution)

In November 2006, the Bowdoin College Board of Trustees approved a disinvestment policy in regards to its direct investments in certain companies operating in Sudan.

University Recommendation:

http://www.bowdoin.edu/global-issues/darfur/archives/006155.shtml

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=20

Contact:

divest@standnow.org

Brandeis (Sudan Investments Restricted)

In April 2006, Brandeis approved a disinvestment policy in regards to its direct investments in certain companies operating in Sudan. Offending companies are currently being determined.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=15

Contact:

Daniel Millenson
National Advocacy Director, Sudan Divestment Task Force
dmillenson@sudandivestment.org

Brown University (Sudan Investments Restricted)

In March 2006, Brown approved a disinvestment policy in regards to direct holdings in fourteen companies operation in Sudan and informed the University's commingled managers about the decision. Brown was found to have investments in Schlumberger and those assets were sold. Research on other potentially offending companies is ongoing.

Policy:

The companies included in Brown's policy are as follows:

(1) ABB Ltd., (2) Alcatel, (3) PetroChina, (4) Siemens, (5) Sinopec, (6) Tatneft, (7) Lundin Petroleum, (8) Nam Fatt, (9) Oil & Natural Gas Corporation, (10) PECD, (11) Schlumberger, (12) Alstom, (13) Harbin Power Equipment Co., and (14) Bharat Heavy Electricals.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=14

Contact:

Scott Warren
Senior National Field Organizer, Sudan Divestment Task Force
swarren@sudandivestment.org

Butler University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=226

Contact:

divest@standnow.org

California State University, Chico (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=221

Contact:

divest@standnow.org

Carleton College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=198

Contact:

divest@standnow.org

Carnegie Mellon University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=195

Contact:

Scott Warren
Senior National Field Organizer, Sudan Divestment Task Force
swarren@sudandivestment.org

Case Western Reserve University (Sudan Investments Restricted)

Case Western Reserve University has adopted a policy prohibiting direct investment in 'Highest Offending Companies,' as identified by the Sudan Divestment Task Force.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=262

Contact:

divest@standnow.org

Choate Rosemary Hall (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=238

Contact:

divest@standnow.org

Colby College (Sudan Investments Restricted)

On October 21, 2006, the Colby College Board of Trustees voted to divest from Sudan and to avoid, in the future, direct investments in any companies that could financially support the Sudanese government.

Resolution text:

http://www.colby.edu/administration_cs/president/burma-sudan.cfm

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=191

Contact:

divest@standnow.org

Colorado State University (Sudan Investments Restricted)

On August 16th, 2007, Colorado State University announced the adoption of a targeted Sudan divestment policy. The University has prohibited future investments in offending companies and implemented a policy of engagement. This policy includes notifying the managers of two funds with questionable holdings of a desire to divest those holdings.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=270

Contact:

divest@standnow.org

Columbia University (Sudan Investments Restricted)

In April 2006, Columbia approved a divestment policy in regards to direct holdings in eighteen companies, since revised to 26 companies, operating in Sudan and informed the University's commingled managers about the decision. Research on other potentially offending companies is ongoing.

Policy:

The companies included in Columbia's policy are as follows:

(1) Alcatel, (2) Alstom, (3) Bharat Heavy Electricals, (4) Bollore, (5) Electricity Generating Company (EGCO) PLC, (6) Ericsson, (7) Harbin Power Equipment, (8) ICSA, (9) Indian Oil Corporation, (10) Lundin Petroleum International, (11) Mobile Telecommunications Co., (12) Muhibbah Engineering (M) Berhad, (13) Nam Fatt, (14) ONGC, (15) PECD Berhad, (16) PetroChina, (17) Petrofac, (18) Reliance Industries, (19) Rolls-Royce Group PLC, (20) Schlumberger, (21) Sinopec, (22) Sudatel, (23) Sumatec, (24) Tatneft, (25) Videocon Industries, (26) White Nile Petroleum

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=16

Contact:

divest@standnow.org

Connecticut College (Sudan Investments Restricted)

On May 17, 2007, Connecticut College announced their decision to prohibit future direct investments in targeted companies. This is an addendum to their portfolio which is free of direct investments in offending companies. The College has opted to continue exploring the potential divestment of their indirect assets.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=174

Contact:

Lauren Welch
lawel@conncoll.edu

Cornell University (Sudan Investments Restricted)

Based on an August 2006 policy, Cornell will bar investments for its direct accounts in oil companies operating in Sudan and will write letters to its commingled fund managers. The university will not be releasing a list of banned companies, and it is unclear whether the school's separately-managed accounts contain any exposure to the offending companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=152

Contact:

divest@standnow.org

Dartmouth College (Sudan Investments Restricted)

In November 2005, Dartmouth adopted a policy to disinvest direct holdings in six companies operating in Sudan, and is currently examining other possible targets.

Policy:

The companies currently included in Dartmouth's policy are as follows:

(1) ABB Ltd., (2) Greater Nile Petroleum Operating Company Ltd., (3) PetroChina Company Ltd., (4) Sudanese White Nile Petroleum Company, (5) Petroliam Nasional Bhd (Petronas), and (6) Sinopec Corp

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=11

Contact:

Allegra Lubrano
Dartmouth College Advisory Committee on Investments
allegra.lubrano@VALLEY.NET

Davidson College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=25

Contact:

Justin Eusebio
Davidson Student
Jueusebio@davidson.edu

Denison University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=225

Contact:

divest@standnow.org

Drew University (Sudan Investments Restricted)

In November 2006, the Board of Trustees of Drew University adopted a binding, targeted Sudan divestment policy that applies to public and private equity, corporate bonds, and Sudanese government bonds. However, divestment in commingled funds is required only when other investment funds are available that offer substantially the same investment characteristics.

According to University officials, "a list of so-called 'targeted companies' will be determined by a reputable and nonbiased third-party research firm. The list would be subject to the review, amendment, and approval of the board's investment committee and updated annually."

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=159

Contact:

divest@standnow.org

Duke University (Sudan Investments Restricted)

The university has sold all of its direct holdings in certain companies doing business in Sudan. However, a divestment policy regarding future investments and commingled assets has not been established. Students are currently asking the university to develop a policy that will reflect these two areas.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=189

Contact:

divest@standnow.org

Elms College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=204

Contact:

divest@standnow.org

Emory University (Sudan Investments Restricted)

The university's financial arm has divested about $17 million from companies that have been accused of enabling warfare in Darfur, including $2,217,000 from PetroChina, Sinopec and ABB.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=229

Contact:

divest@standnow.org

Franklin and Marshall College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=222

Contact:

divest@standnow.org

Georgetown University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=167

Contact:

Hailey Flynn
Georgetown University Student
hailey.flynn@gmail.com

Goucher College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=213

Contact:

divest@standnow.org

Hamline University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=201

Contact:

divest@standnow.org

Hampton University (Sudan Investments Restricted)

On April 9, 2007, Hampton University announced it had completed divestment from Sudan and companies that conduct business in Sudan.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=239

Contact:

divest@standnow.org

Harding University (Campaign Initiated)

Harding does not currently have any direct or commingled holdings in offending companies, and students are pushing the administration to release an official policy prohibiting future investments in offending companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=214

Contact:

Ariana Homan Cruz
Harding Student
arianahomancruz@yahoo.com

Harvard University (Sudan Investments Restricted)

In April 2005, the Company reportedly divested $4.4 million from its direct holdings in PetroChina after Harvard's Advisory Committee on Shareholder Responsibility (ACSR) wrote a recommendation specific to that company.

In March, 2006, after pressure from students, media, and politicians, Harvard Corporation reportedly agreed to sell their direct holdings in Sinopec Corporation, estimated to be worth $8.3 million at the time.

In January 2007, A Harvard Crimson article revealed that Harvard University continues to indirectly invest in PetroChina and Sinopec, despite previous decisions to divest. In response, the Harvard Darfur Action Group has decided to re-aunch a Sudan divestment campaign, urging the University to adopt the Task Force's comprehensive targeted divestment model.

As of July 2007, Harvard University still holds at least $26 million of indirect investments in companies qualifying as "Highest Offenders." As such, students are still working to achieve a revised policy and the campaign continues.

Website and Articles:

http://www.harvarddivest.com

http://www.sudandivestment.org/campaigns.asp?campaignid=167

Contact:

Trevor Bakker
Harvard University Student
tjbakker@fas.harvard.edu

Joanna Naples-Mitchell
Harvard University Student
joannanm@fas.harvard.edu

Hendrix College (Sudan Investments Restricted)

The Hendrix Board of Trustees voted to investigate and divest the college of any investments in companies that support the government of Sudan in committing genocide against the people of Darfur.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignid=187

Contact:

divest@standnow.org

Howard University (Sudan Investments Restricted)

On January 27th, 2007, the Howard Board of Trustees voted to divest Howard's holdings from all companies doing business in Sudan. The Board of Trustees included in the divestment resolution a policy restricting Howard and its fund managers from making future investments in companies operating in Sudan.

Press Release:

http://howard.hostica.com/newsroom/releases/20070329THEHOWARDBOARDOFTRUSTEESTO%20OFFTIESWITHCOMPANIESDOINGBUSINESSINSUDAN.pdf

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=200

Contact:

divest@standnow.org

Indiana University (Campaign Initiated)

The Indiana University Board of Trustees opposed a student-led divestment campaign, but the University Treasurer provided an official statement that the university had no investments in any of the companies in the Task Force's *Sudan Company Report*. The students intend to return issue of university divestment while pushing for divestment from commingled funds.

Students are also currently working with a professor interested in encouraging faculty members to transfer their retirement funds out of Fidelity.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=59

Contact:

Rebecca Burns
Indiana University student
rejburns@indiana.edu
(781) 962-8816

Johns Hopkins University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=199

Contact:

divest@standnow.org

Johnson County Community College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=263

Contact:

divest@standnow.org

Lake Forest College (Campaign Initiated)

Lake Forest does not currently have any direct or commingled holdings in offending companies, and students will push the administration to release an official policy prohibiting future investments in offending companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=203

Contact:

Julie Maskulka
Lake Forest student
maskujl@lakeforest.edu

Marquette University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=150

Contact:

Neal Styka
Marquette University student
mudivestsudan@gmail.com

Massachusetts Institute of Technology (Sudan Investments Restricted)

On May 14, 2007, the MIT Corporation's Executive Committee agreed to divest MIT's holdings from portfolios that "would violate MIT's investment principles."

On September 21st, 2007, MIT confirmed that its investment portfolios are clear of the top twenty worst offending companies as listed by the Sudan Divestment Task Force.

Website and Articles:

http://mitdarfur.org/

http://www.sudandivestment.org/campaigns.asp?campaignid=18

Press Release:

http://web.mit.edu/newsoffice/2007/sudan-statement.html

Contact:

info@sudandivestment.org

Middlebury College (Sudan Investments Restricted)

Middlebury College has committed to divest direct holdings in offending companies and has formed a committee to carry out this task. The college has also committed to informing all of its asset managers about the college’s decision.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=41

Contact:

Nathan Blumenshine
Middlebury College student
nblumens@middlebury.edu

Missouri State University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=224

Contact:

divest@standnow.org

Muhlenburg College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=254

Contact:

info@sudandivestment.org

Nazareth College (Sudan Investments Restricted)

At a May meeting, the Board of Trustees of Nazareth College, in Rochester, voted to restrict direct investments in any companies on the *Sudan Company Report*. The College also distinguished that they own no direct investments in companies on the report. Additionally, they have requested that the managers of their indirect assets identify their holdings in offending companies and 'consider divestment.'

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=251

Contact:

info@sudandivestment.org

New York University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=207

Contact:

divest@standnow.org

Northland College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=227

Contact:

divest@standnow.org

Northeastern University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.nustand.org/

http://www.sudandivestment.org/campaigns.asp?campaignid=45

Contact:

Trevor Braun
Northeastern Student
trevorcbraun@gmail.com

Northwestern University (Sudan Investments Restricted)

In October 2005, Northwestern instructed the firms that invest money on behalf of the university to sell any holdings those firms had in four companies that had been identified as supporting the government regime in Sudan.

There is an on-going targeted Sudan divestment campaign.

Policy:

The four companies included in the Northwestern policy are as follows:

(1) ABB, (2) Tatneft, (3) Sinopec Corporation, and (4) PetroChina

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=36

Contact:

Susannah Cunningham
NU Darfur Action Coalition
s-cunningham@northwestern.edu

Oberlin College (Sudan Investments Restricted)

In June 2006, Oberlin College passed a non-binding resolution, which has been implemented. The resolution encouraged investment managers to divest from companies that meet targeted divestment criteria.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=32

Contact:

Penina Eilberg-Schwartz
Oberlin College Student
Penina.Eilberg-Schwartz@oberlin.edu

Ohio State University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=211

Contact:

divest@standnow.org

Oklahoma University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=44

Contact:

Bailey Cato
Senior National Field Organizer, Sudan Divestment Task Force
bcato@sudandivestment.org

Princeton (Engagement)

In April 2006, Princeton began correspondence with five potentially offending companies Research into other companies to engage is also ongoing. The university has left open the option of divestment for those companies who are unresponsive.

Policy:

The five companies included in Princeton's policy are as follows:

(1) PetroChina, (2) Sinopec, (3) Tatneft, (4) ABB Ltd., and (5) Bharat Heavy Electronics

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=22

Contact:

Cass Cliatt
Media Relations Manager
ccliatt@princeton.edu

Queen's University (Sudan Investments Restricted)

In March 2007, Queen's University became the first Canadian university to divest from oil companies who provide revenue to the Sudanese government.

Website and Articles:

http://standcanada.org/

http://www.sudandivestment.org/campaigns.asp?campaignid=236

Contact:

Ira Goldstein
STAND Canada
igoldstein@standcanada.org

Reconstructionist Rabbinical College (Sudan Investments Restricted)

In Early 2006, the Reconstructionist Rabbinical College divested $20 million from its endowment fund representing companies that do business with the Sudanese government. The companies affected by the policy are unknown.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=33

Contact:

divest@standnow.org

Regis University (Sudan Investments Restricted)

On March 6, 2007, the Regis University Investment Oversight Subcommittee met and unanimously agreed to the divesture of all equities that have been identified (list from October 2006) as adversely affecting the Darfur region. Only one investment was found, that being the 87 shares of PetroChina with a total market value of less than $10,000. That holding in PetroChina was liquidated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=217

Contact:

divest@standnow.org

Rensselaer Polytechnic Institute (Sudan Investments Restricted)

In August of 2007, the RPI Board of Trustees voted to adopt a Sudan divestment policy. They have agreed to adhere to a 'targeted Sudan divestment policy' which is in accordance with the research of the Sudan Divestment Task Force.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=272

Contact:

divest@standnow.org

Roosevelt University (Sudan Investments Restricted)

On June 19, the Board of Trustees of Roosevelt University announced that they would prohibit any future investment in companies doing business in Sudan.

The University also announced that the Investment Committee would investigate current holdings in mutual funds with ties to the genocide in Darfur.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=273

Contact:

divest@standnow.org

Samford University (Sudan Investments Restricted)

In Summer 2005, Samford, a private Baptist college, divested direct holdings in PetroChina. A school spokesman said the holding represented less than one-tenth of 1 percent of Samford's $264 million endowment.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=17

Contact:

divest@standnow.org

Seton Hall (Sudan Investments Restricted)

According to a September 2006 article in the *New Jersey Star Ledger,* Seton Hall University "has banned its money managers from putting any of the school's money in the area."

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=161

Contact:

divest@standnow.org

Simmons College (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=28

Contact:

Ana Vasquez
Simmons STAND
ana.vasquez@simmons.edu

Skidmore Collage (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=219

Contact:

divest@standnow.org

Smith College (Sudan Investments Restricted)

In May 2006, Smith College adopted a policy to begin engaging offending companies, although a public list was not released, with the threat of divestment while also investigating whether any other companies fit the resolution's criteria. College officials have identified two companies (representing approximately $2 million in assets) held directly in its endowment and they are currently finalizing a list of companies and a plan for implementation.

On May 7th, 2007, Smith College concluded the process of engagement and decided to divest its resources. Following a year of research and engagement, Smith College has decided to divest $1.18 million worth of investments from Schlumberger Ltd., the French energy company.

Furthermore, the University has developed a "Do Not Acquire" list that bans future investment in 26 other companies. A full list of these companies may be found in the Smith College press release, which is included below.

Policy:

The Smith College policy utilizes the following criteria to identify possible targets for divestment:

1) Any company owned by the government of the Sudan. OR
2) Any company enabling the government of the Sudan to continue its illegal activities, either directly (through its sale of goods or services) or indirectly (through significant royalties, fees, and tax revenues accruing to the government). This would include: operation of manufacturing and other business facilities, extractive related industries and acquisition of mining or drilling rights, provision of utilities and other services.

Exceptions to these criteria:
1) Companies engaged solely in journalistic activities. OR
2) Companies engaged solely in producing or providing goods and services of a retail or humanitarian nature.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=42

Press Release:

http://www.smith.edu/newsoffice/releases/CIR.html

Contact:

divest@standnow.org

Stanford (Sudan Investments Restricted)

In June 2005, Stanford University divested its direct holdings in four companies with links to Sudan, and informed its commingled fund managers of the decision.

Policy:

The four companies included in the Stanford policy are as follows:

(1) ABB, (2) Tatneft, (3) Sinopec Corporation, and (4) PetroChina

While the "Stanford 4" has become precedent for several other states and institutions, it's important to note that the four offending companies were selected as *representative* of the types of companies to divest from and were never meant, by the Stanford student group that carried out the company research, to serve as binding precedent.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=10

Contact:

Ben Elberger
Stanford University Alumni
elberger@stanford.edu

Stetson University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=228

Contact:

divest@standnow.org

Swarthmore College (Sudan Investments Restricted)

Swarthmore has a policy against investments in offending companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=169

Contact:

Erin Heaney

Swarthmore College Student
eheaney1@swarthmore.edu

Trinity College (Sudan Investments Restricted)

In May 2006, Trinity College adopted a resolution calling for targeted divestment from Sudan. Since adopting the resolution Trinity College has divested from direct holdings in Schlumberger, banned future direct investment in other offending companies, and have communicated their policy to their commingled asset managers.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=29

Contact:

Alex Henry
Trinity College Student
Alexander.Henry@trincoll.edu

Trinity University (Sudan Investments Restricted)

In October 2007, Trinity University passed a policy of targeted Sudan divestment. The school administration elaborated by stating, "such investments in the country allow the Sudanese government to finance the genocide in Darfur."

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=276

Contact:

divest@standnow.org

Tufts University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=184

Contact:

Sabina Carlson
Tufts College Student
Sabina.carlson@gmail.com

University of Arkansas (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=179

Contact:

Mervin Jebaraj
University of Arkansas Student
stand@uark.edu

University of Arizona (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=261

Contact:

divest@standnow.org

University of California (Sudan Investments Restricted)

In March 2006, the University of California system divested all separately managed account holdings (2/3 of the university's public equity investments are in separately managed accounts) in 9 offending companies and wrote letters to 4 additional companies. The university's commingled fund managers were informed about the university's position.

Policy:

The companies included in the University of California's policy are as follows.

Divestment
(1) PetroChina, (2) Oil & Natural gas Co., (3) Sinopec Corporation, (4) Bharat Heavy Electricals, (5) Sudatel, (6) Nam Fatt, (7) PECD Berhard, (8) VideoCon, (9) Tatneft

Further Engagement
(1) Schlumberger, (2) Finmeccanica, (3) Harbin Power Equipment Co., (4) Lundin Petroleum

Decision Text:

http://www.universityofcalifornia.edu/regents/regmeet/mar06/ff.pdf

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=6

Contact:

divest@standnow.org

University of Chicago (Campaign Initiated)

In February 2007, the University of Chicago administration decided against divestment from Sudan.

However, the campaign to divest continues. The continued push for divestment is led by the University of Chicago Coalition for Immediate Divestment (UCCID) and the University of Chicago STAND chapter.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=35

http://www.uchicagostand.org/

Contact:

Aliza Levine
University of Chicago Student
UChicagoSTAND@gmail.com

University of Colorado (Sudan Investments Restricted)

In December 2006, the University of Colorado board of regents voted unanimously to give the university treasurer's office authority to divest from offending companies operating in Sudan. The university's current holdings have offending investments through two mutual funds, Vanguard International Value and Vanguard International Growth. The university will engage with their asset managers to request the availability of Sudan-free investments. The university has also agreed to disinvest from offending companies in future direct investments. The Treasurer's office is using Sudan Divestment Task Force research on offending companies, and has agreed to update the list of offending companies in accordance with Task Force recommendations.

Additionally, the University of Colorado Foundation, a private nonprofit corporation supporting the university, is using the same list as the Regents to divest its private holdings from Sudan.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=176

Contact:

Scott Wisor
Senior National Field Organizer, Sudan Divestment Task Force
swisor@sudandivestment.org

University of Connecticut (Sudan Investments Restricted)

On March 8th, 2007, the Investment Committee of the University of Connecticut Foundation Board of Directors voted to adopt a policy of targeted divestment. The University of Connecticut Foundation oversees assets of $366 million.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=190

Contact:

divest@standnow.org

University of Denver (Sudan Investments Restricted)

On April 14th, the University, with the backing of Chancellor Coombe, has agreed to sell all direct holdings and work with asset managers to consider Sudan free investment accounts.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=243

Contact:

Hannah Long
University of Denver Student

hlong@du.edu

University of Illinois (Sudan Investments Restricted)

On May 17th, 2007, the University of Illinois Board of Trustees voted to divest funds from Sudan. The Board approved a divestment of $2.3 million dollars from four companies. This unanimous decision is binding and must be enacted by June 30.

The UI divestment is not targeted nor is it comprehensive; the four companies the University chose to divest from are Deutsche Post, Hyundai Motors, Siemens A.G. and Total. Deutsche Post and Hyundai Motors are not on the *Sudan Company Report*, while Total is listed under 'On-Going Engagement' status. Lastly, Siemens A.G. has already agreed to withdraw from Sudanese operations. University of Illinois students are still working to achieve a more comprehensive divestment, utilizing the *Sudan Company Report*.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=34

Contact:

divest@standnow.org

University of Kansas (Campaign Initiated)

In June 2006, the University of Kansas screened its investments for 26 Sudan-related companies and found no direct exposure within the school's separately managed accounts. It was decided to not take action in barring future direct investments in those companies.

The university will write letters to 13 investment managers who handle the endowment's separate and commingled accounts in regards to the university's concerns over 26 companies operating in Sudan, and to rigorously monitor the university's exposure to those companies.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=31

Contact:

Mark Skoglund
University of Kansas Student
mark.skoglund@gmail.com

University of Maryland (Sudan Investments Restricted)

In June 2006, the University of Maryland Foundation adopted a resolution recommending that the Foundation divest actively managed holdings in offending companies (currently at 16 companies) from all separately managed accounts. The Foundation does not have passive investments and currently has no separately managed holdings in these companies. The resolution also recommended that the Foundation communicate its decision to its endowment investment managers.

In October 2006, the Foundation voted to sell its $16.2 million interest in a commingled fund that was found to have exposure to offending companies in Sudan.

The companies included in the University of Maryland's policy are as follows:

(1) Oil and Natural Gas Company, (2) PetroChina, (3) Sinopec Corporation, (4) Petronas/Petronas Capital Limited, (5) Schlumberger, (6) Reliance Industries, (7) Al-Thani Investment, (8) Lundin Petroleum, (9) AO Tatneft, (10) PECD Berhad, (11) Muhibbah Engineering Berhad, (12) Nam Fatt, (13) Kejuruteraan Samudra Timur Berhad, (14) Sudatel, (15) Bharat Heavy Electricals, (16) Harbin Power Equipment

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=23

Contact:

Laura Brewer
University of Maryland Student
lbrewer@umd.edu

University of Massachusetts (Sudan Investments Restricted)

On April 30th, 2007, the Investment Committee of the University of Massachusetts Foundation announced a decision to divest from companies on the *Sudan Divestment Task Force's Company Report*. Furthermore, the Committee has restricted any new investments in the listed companies.

The University of Massachusetts is divesting $530,000 or 0.18% of it's endowment.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=193

Contact:

divest@standnow.org

University of Minnesota (Sudan Investments Restricted)

UM's Senate Committee for Social Concerns adopted a resolution, with assistance from the Office of Asset Management, which condemns support for companies working for or assisting the government of Sudan. This resolution is supported by President Bruininks. As such, the University has contacted its financial managers and informed them to refrain from investing in the companies on the *Sudan Company Report*. At the time of passage, the University had no direct holdings in scrutinized companies.

Resolution Text:

http://www1.umn.edu/usenate/resolutions/sudanres.html

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=177

Contact:

divest@standnow.org

University of Missouri, Columbia (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=220

Contact:

divest@standnow.org

University of North Carolina at Chapel Hill (Campaign Initiated)

UNC-Chapel Hill officials have looked into their investments and found no direct holdings in targeted companies. The campaign is working on getting officials to write to asset managers.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=196

Contact:

divest@standnow.org

University of North Carolina at Greensboro (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=202

Contact:

divest@standnow.org

University of Notre Dame (Sudan Investments Restricted)

University investment officials have clarified that the University independently took actions to preclude targeted companies which operate in Sudan.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=278

Contact:

divest@standnow.org

University of Pennsylvania (Sudan Investments Restricted)

In June 2006, the University of Pennsylvania adopted a policy barring investments in seven companies (the same companies as Yale University). The University currently has no direct holdings in the seven companies. University of Pennsylvania will also hold discussions with its commingled managers.

Policy:

The companies included in the University of Pennsylvania's policy are as follows:

(1) Bentini, (2) Higleig, (3) Hi-Tech Petroleum, (4) Nam Fatt, (5) Oil & Natural Gas Corporation, (6) PetroChina and (7) Sinopec

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=39

Contact:

Brad Rubin
University of Pennsylvania Student
bradlesr@sas.upenn.edu

University of Pittsburgh (Campaign Initiated)

Meetings with the University of Pittsburgh have indicated that the university has no direct holdings in companies on the "Highest Offenders" list. The university will not release a formal statement regarding its investment policy. Students are campaigning to pressure the university to do so.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=171

Contact:

Anna Siegel and Lissa Geiger
University of Pittsburgh Students
pittdivestnow@gmail.com

University of Rochester (Sudan Investments Restricted)

In October 2006, the University of Rochester voted to prohibit future direct investment in 28 companies with possible ties to Sudan. The university had no exposure at the time.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=168

Contact:

divest@standnow.org

University of Southern California (Sudan Investments Restricted)

In April 2006, the University of Southern California adopted a policy to prevent future direct investment in four companies operation in Sudan (the same companies as

Stanford).

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=30

Contact:

Stephen Gordon
University of Southern California Student
thestephengordon@gmail.com

University of Vermont (Sudan Investments Restricted)

In May 2006, the University of Vermont adopted a policy to disinvest from the top twenty worst offending companies in Sudan (as identified by the Sudan Divestment Task Force). The university will divest completely from all direct investments, and letters will be sent to commingled asset managers.

On May 19th, 2007, the Board of Trustees reaffirmed its policy of restricting Sudan related investments.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=38

Contact:

Alexandra Bambery
University of Vermont Student
abambery@uvm.edu

University of Virginia (Sudan Investments Restricted)

In November 2006, the University of Virginia Investment Management Company (UVIMCO) approved a resolution to prohibit future direct investments in five offending Sudan-related companies. Additionally, UVIMCO staff members have agreed to speak with the university's commingled managers about their policy regarding Sudan and UVIMCO plans to review a more comprehensive list of companies for divestiture at their next board meeting.

Policy:

The companies included in the University of Virginia's policy are as follows:

(1) Nam Fatt, (2) Oil and Natural Gas Company of India, (3) Petrochina,(4) Sinopec, and

(5) Taftnet

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=40

Contact:

Laura Harris
University of Virginia Student
lfh5d@cms.mail.virginia.edu

University of Washington (Sudan Investments Restricted)

In June 2006, the Board of Regents of the University voted unanimously to implement a targeted divestment model based on that of the Sudan Divestment Task Force, banning investments in about 30 companies on a list provided by Institutional Shareholder Services (ISS), chosen using criteria provided by the Sudan Divestment Task Force. The list from ISS will be updated monthly, and the students will continue to work with the administration to oversee the implementation of the divestment plan. As voted on, the divestment plan applies only to funds in separately managed accounts, which account for the bulk of UW's investments.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=27

http://chronicle.com/news/article/546/washington-regents-vote-to-divest-from-companies-in-sudan

Contact:

Ben Weintraub
University of Washington Student
benwei@u.washington.edu

University of Wisconsin System (Sudan Investments Restricted)

In August 2006, the University of Wisconsin System passed a resolution to take action on the University's possible exposure to Sudan-related investments. According to an Associated Press story and discussions with University officials, 20 companies, identified in an initial screen by Institutional Shareholder Services (ISS), were found in two of the system's institutional commingled funds. Subsequently, the University wrote letters to its commingled managers urging them to adopt a Sudan-free policy or to create separate

Sudan-free accounts for the University's investments. Of the 20 companies identified by ISS, only four (PetroChina, Sinopec Corp., Siemens AG, and Bharat Electricals Ltd.) were identified by other institutions as offending companies. At this time, the University did not have exposure to any of the companies in its separately managed accounts.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=153

Contact:

divest@standnow.org

Vanderbilt University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=241

Contact:

divest@standnow.org

Vassar College (Sudan Investments Restricted)

In October 2006, the Vassar College Board of Trustees voted to ban future direct investments in 22 Sudan companies. The college also communicated its decision to its commingled fund managers.

Resolution:

http://collegerelations.vassar.edu/2006/2309/

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=170

Contact:

Brooke Widman
Vassar College Student
brwidman@vassar.edu

Villanova University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=240

Contact:

Scott Williams
scott.williams@villanova.edu

Wake Forest University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=212

Contact:

divest@standnow.org

Wellesley College (Sudan Investments Restricted)

Wellesley College has guaranteed a restriction on all direct investments with companies listed in the *Sudan Company Report*.

The College has also decided upon a policy of engagement regarding any indirect investments in targeted companies. Wellesley's international investment managers will research the tangible links between their investments and Sudan. These mangers will periodically report back with their findings.

Press Release:

http://www.wellesley.edu/PublicAffairs/Releases/2007/032807.html

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=26

Contact:

Maggie Tiernan
Senior National Field Organizer, Sudan Divestment Task Force
mtiernan@sudandivestment.org

West Virginia University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=209

Contact:

divest@standnow.org

Western Washington University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=253

Contact:

divest@standnow.org

Wheaton College (Sudan Investments Restricted)

On May 19th, 2007, during Wheaton's commencement ceremony, President Ronald Crutcher announced that the Board of Trustees had voted to divest from Sudan. At the urging of students, the University divested $11 million from a fund that had $60,000 invested in companies in the Sudan Company Report.

University Statement:

http://www.wheatoncollege.edu/news/pr20070522a.html

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=175

Contact:

Jonathan Walsh
Wheaton College Professor
jwalsh@wheatonma.edu

Williams College (Sudan Investments Restricted)

In June 2006, Williams College adopted a policy to bar future direct investments in 26 companies. The College will also write all external fund managers, including those handling commingled mandates, to express Williams' desire that they avoid investment in these companies.

Policy:

The 26 companies included in Williams' policy are as follows:

(1) Alcatel S.A., (2) Alstom S.A., (3) BAE Systems, (4) Bharat Heavy Electricals Ltd (BHEL), (5) China National Offshore Oil Corp, (6) China National Petroleum Corp. (PetroChina), (7) China Petroleum and Chemical Corp (Sinopec), (8) DIT Power Kilo-X Ltd, (9) Finmeccanica, (10) Harbin Power Equipment Co Ltd, (11) Lundin International SA, (12) Mobil Telecommunications Co (MTC), (13) Nam Fatt Co. Bhd, (14) Oil & Natural Gas Co. Ltd., (15) PECD Bhd, (16) Ranhill Bhd, (17) Royal Dutch Shell Plc, (18) Schlumberger Ltd, (19) Siemens AG, (20) Sudan Telecom (Sudatel), (21) Sumatec Resources (IR), (22) Tatneft, (23) Telefonaktiebolaget LM Ericsson (Ericsson LM Telephone Co), (24) Videocon Industries Ltd, (25) Weir Group PLC (Weir Pumps Ltd), (26) ABB Ltd.

SDTF knows that some of these companies no longer have operations in Sudan, including BAE, China National Offshore Oil Corp, and possibly DIT Power.

President's Letter:

http://www.williams.edu/admin/president/letters/060606_Sudan_Divestment.php

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=148

Contact:

divest@standnow.org

Wilmington College, DE (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=264

Contact:

divest@standnow.org

Winona State University (Campaign Initiated)

A targeted Sudan divestment campaign has been initiated.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignid=210

Contact:

divest@standnow.org

Yale University (Sudan Investments Restricted)

In February 2006, Yale prohibited direct holdings in 7 companies, three private firms and four publicly-traded firms, and informed all contracted fund managers about the decision. University President Levin did note that the University currently holds stock in one of the seven companies, a "relatively minor" investment that may be worth several million dollars.

Policy:

The three private firms included in Yale's policy are as follows:

(1) Bentini, (2) Higleig, and (3) Hi-Tech Petroleum

The four publicly-traded firms included in Yale's policy are as follows:

(1) Nam Fatt, (2) Oil & Natural Gas Corporation, (3) PetroChina, and (4) Sinopec

Website and Articles:

http://acir.yale.edu/sudan.html

http://www.sudandivestment.org/campaigns.asp?campaignid=13

Contact:

Lauren Jacobson
Yale University Student
Lauren.jacobson@yale.edu

VI. State of Divestment: Private Pension Plans, Companies, and Asset Managers

Barclays Global Investors

Barclays Global Investors (BGI) has announced the official creation of both Sudan-free index funds and customized ex-Sudan investment solutions for investors. BGI announced ongoing exploration of ex-Sudan fixed income options as well. Currently, the BGI funds exclude a wide range of companies operating Sudan (as per the Illinois divestment statute) and not the targeted range as developed by the Sudan Divestment Task Force (as per the California, Iowa, Vermont, Colorado, Indiana, Kansas and Minnesota divestment statutes). Conversations with Barclays are ongoing to develop an ex-Sudan product that meets the Task Force's targeted criteria.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=49

Press Release:

http://home.businesswire.com/portal/site/google/index.jsp?ndmViewId=news_view&newsId=20060302005314&newsLang=en

Contact:

info@sudandivestment.org

Berkshire Hathaway (Campaign Initiated)

The holding company for Warren Buffett, Berkshire Hathaway, made major investments in PetroChina in 2003. Notably, PetroChina, through its parent company China National Petroleum Company (CNPC), is one of the principle offending companies surrounding the Darfur genocide. With just under $3 billion invested in PetroChina as of April 13, 2007, Berkshire Hathaway ranks only behind CNPC as the company's largest shareholder.

In late 2006, the Sudan Divestment Task Force asked major shareholders of PetroChina, including Berkshire Hathaway, to engage the company regarding its connections to the ongoing genocide in the Darfur region of Sudan.

In February 2007, in response to the combination of this request and inquiries from media and shareholders, Berkshire Hathaway released a statement opposed to shareholder action vis-à-vis PetroChina. (www.berkshirehathaway.com/sudan.pdf)

In order to clarify some inaccuracies in Berkshire Hatahway's statement and to clarify the specific request of the Sudan Divestment Task Force, the Sudan Divestment Task Force immediately released a response to Berkshire Hathaway.

Shortly thereafter, the Task Force released a more comprehensive report on the links between PetroChina, CNPC, and the Darfur genocide, available here.

In May 2007, Berkshire Hathaway reiterated its position on PetroChina at the company's annual shareholder's meeting. Berkshire claimed that the PetroChina is subsidiary of CNPC and therefore has no influence on CNPC's actions.

In June 2007, The Sudan Divestment Task Force created an addendum to the initial, comprehensive report.

In October 2007, Warren Buffett announced that Berkshire Hathaway had sold all of its holdings in PetroChina. Mr. Buffett attributed this sale, which was accompanied with extensive activist pressure, to profit margins.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=54

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

The Bullmoose Growth Fund

Offered by Roosevelt Investment Group: http://www.rooseveltinvestments.com

This fund was created to be free of terrorist-sponsoring countries, of which Sudan is one. The $10 million-asset fund, which relies on Conflict Securities Advisory Group to screen out companies doing business in terror-sponsor countries, earned 12.8 percent on its investments last year, compared to about 6 percent for the benchmark Standard & Poor's 500 index. So far it is the only mutual fund designed to be "terror-free," according to Adam Sheer, the fund's portfolio manager.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=52

Contact:

Adam Sheer
Portfolio Manager
asheer@rooseveltinvestments.com

Calvert Group

Besides ensuring its own mutual funds are free of companies identified as worst offenders by the Sudan Divestment Task Force, Calvert has also reviewed the Sudan Divestment Task Force analytical criteria and will continue work with the Sudan Divestment Task Force to examine the activities of specific companies to help determine whether they should be targets for engagement and possible divestiture. At the same time, Calvert will combine this analytical support with advocacy outreach.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=185

Contact:

http://www.calvert.com/sudan/

Citizens Funds

(http://www.citizensfunds.com/common/032206.htm)

Citizens Advisers, the investment manager to Citizens Funds, announced in late March that it has called on companies within its portfolios to divest of business activities in Sudan.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=53

Press Release:

http://www.citizensfunds.com/common/032206.htm
Contact:

info@sudandivestment.org

Claymore Securities

(http://www.claymore.com)

Claymore Securities, Inc released an Index Exchange-Traded Fund (ETF) screened by KLD on June 25, 2007. The new KLD-Certified Sudan Free Large-Cap Social ETF screens domestic companies with operations linked to Sudan from the Russell 1000 index. A traditional, socially responsible investing screen has also been applied.

The new KLD-Certified Claymore Sudan Free Large-Cap Social ETF is useful for those seeking a "blanket" approach, rather than a targeted one, for screening Sudan-linked companies from their portfolios. However, the original Russell 1000 index does not contain any companies that the Sudan Divestment Task Force considers potential candidates for divestment. Due to 1997 US trade sanctions, the vast majority of US companies are barred from operating in Sudan. Those that do operate in Sudan have received affirmative exemptions from the US Treasury Department for operations related to industries such as humanitarian aid, medical equipment, and agriculture. Because these sectors do not provide significant support to the Khartoum regime and do benefit the general civilian population of Sudan, the Sudan Divestment Task Force does not recommend divestment from companies involved in them.

Website and Articles:

http://www.claymore.com

http://sudandivestment.org/campaigns.asp?campaignID=182

Contact:

info@sudandivestment.org

Clean Yield Group

Clean Yield Group has adopted a policy to avoid investments identified as worst offenders by the Sudan Divestment Task Force.

http://www.cleanyield.com/index.htm

Website and Articles:

http://www.cleanyield.com/index.htm

http://sudandivestment.org/campaigns.asp?campaignID=215

Contact:

Richard Hausman
Clean Yield Group
(800) 809-6439
rick@cleanyield.com

Domini Social Investments

Domini Social Investments has adopted a policy to avoid investing in companies that do business in Sudan in the following cases:

1. **The company's activities directly benefit the government of Sudan.** This includes companies that pay oil and mining royalties to the Sudanese government, as well as those that build roads, develop infrastructure in government strongholds, or provide assistance to government agencies.

2. **The company offers substantial indirect benefits to the government of Sudan, or, in our view, is otherwise complicit in human rights abuses in Sudan.** This includes companies that have substantial operations or customers in government stronghold areas of Sudan and therefore help to provide a stable economic environment that supports the government in its oppressive policies.

Domini's methodology for evaluating companies' operations in Sudan involves the consideration of various third party information sources, notably the Sudan Divestment Task Force, as well as its own internal research resources. Where possible, Domini will also contact the companies directly to confirm information

http://www.domini.com/GlobInvStd/Darfur-Cri/InvestmentPolicy.doc_cvt.htm

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=231

Press Release:

http://www.domini.com/GlobInvStd/Darfur-Cri/InvestmentPolicy.doc_cvt.htm

Contact:

info@sudandivestment.org

Fidelity Investments

Fidelity Investments, primarily through its U.S. managed Contrafund and other internationally managed mutual funds, has been one of the largest private investors in PetroChina and Sinopec. A grassroots campaign of Fidelity investors and activists is calling on Fidelity to divest its PetroChina and Sinopec holdings.

In May 2007, Fidelity released its quarterly SEC filing which unveiled the sale of 91% of its PetroChina ADRs, held through the New York Stock Exchange. However, Fidelity still owns over $500 million worth of PetroChina H shares, held through the Hong Kong

Stock Exchange.

Website and Articles:

http://www.sudandivestment.org/campaigns.asp?campaignID=181

http://www.fidelityoutofsudan.com

Contact:

Eric Cohen
info@FidelityOutofSudan.com

Northern Trust

On December 6, 2005, Northern Trust announced the creation of seven index funds that screen out Sudan-related holdings as a response to Illinois' divestment statute. The company will be using the independent research firms of KLD and ISS to identify companies doing business in Sudan. Northern Trust will also use an independent research firm to ensure that forbidden securities are not included in separate accounts managed for the Illinois pension funds.

In a company press release, Northern Trust stated, "Utilizing its proprietary quantitative investment process and extensive experience in customized benchmarks, Northern Trust will construct portfolios that will minimize the tracking variance caused by the elimination of the divested stocks in 'Sudan-free' versions of the following indexes:

- Standard & Poor's 500 Index
- Standard & Poor's Growth Index
- Standard & Poor's Midcap 400 Index
- Dow Jones Wilshire 5000 Index
- Dow Jones Wilshire 4500 Index
- MSCI EAFE (Europe Australasia and Far East) Index
- Lehman Aggregate Bond Index"

While the new index funds were designed specifically for the Illinois pension funds, they can be customized for other investors, according to Lyle Logan, Senior Vice President and Managing Director of Institutional Sales and Client Servicing. Additionally, this family of seven index funds could be expanded to fit client requirements, according to Steven Schoenfeld, Senior Vice President and Global Chief Investment Strategist

Website and Articles:

http://www.northerntrust.com

http://sudandivestment.org/campaigns.asp?campaignID=48

Contact:

info@sudandivestment.org

NorthStar Asset Management

NorthStar Asset Management, Inc. is a Boston-based socially responsible investment company working with individual clients. If an offending company on the Sudan Divestment Task Force *Sudan Company Report* exists in a client portfolio, NorthStar will challenge the company's contribution to the Darfur genocide through shareholder advocacy. If advocacy proves meaningless, NorthStar will divest from the offending company. NorthStar will not seek future investment in offending companies.

http://www.northstarasset.com/

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=232

Contact:

info@sudandivestment.org

Prentiss Smith and Company, Inc.

Prentiss Smith and Company, a socially responsible asset manager for individuals, will apply the Sudan Divestment Task Force's criteria to all current holdings and all future investments. As such, they will make no future investments in any companies listed on the *Sudan Company report*.

http://www.prentiss-smith.com/

http://sudandivestment.org/campaigns.asp?campaignID=246

Contact:

info@sudandivestment.org

State Street Global Advisors

State Street Global Advisors (SSGA) created separately managed indexed accounts for the Teacher's Retirement System of the State of Illinois in order for the pension fund to be compliant with Illinois' Sudan divestment legislation.

More generally, SSGA is purportedly handling multiple demands for Sudan-free investment opportunities from its investors by creating customized, separately-managed accounts.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=50

Contact:

info@sudandivestment.org

TIAA-CREF (Campaign Initiated)

A targeted Sudan divestment campaign for TIAA-CREF, the nation's largest private pension fund, is ongoing.

TIAA-CREF has begun engagement of identified offending companies and has hired a full-time staff person in the pension fund's corporate governance unit to deal with Sudan-related issues.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=51

Contact:

info@sudandivestment.org

Trillium Asset Management

Trillium Asset Management, a socially responsible investment firm based out of Boston, will avoid future investments in companies that meet the Sudan Divestment Task Force's criteria for offending companies. For offending companies that are currently in the Trillium portfolio, the firm will first attempt to engage the companies, and if the engagement does not produce a desired behavioral change, Trillium will remove the security from its portfolio.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=158

Contact:

Shelley Alpern
Manager of Social Research & Advocacy, Trillium Asset Management

salpern@trilliuminvest.com

Walden Asset Management

Walden Asset Management, a socially responsive investment firm that primarily manages separate accounts, will exclude companies that meet SDTF targeted divestment criteria, based upon client requests and absent any meaningful ability to influence the companies via shareholder advocacy.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=157

Contact:

Heidi Soumerai
Director of Social Research, Walden Asset Management
(617) 726-7233
hsoumerai@bostontrust.com

VII. State of Divestment: Third-Party Research Firms

Institutional Shareholder Services (ISS)

Institutional Shareholder Services (ISS) offers a list of companies with ties to Sudan based on a "blanket" divestment model. ISS charges a fee for access to this service.

Additionally, SDTF is working with ISS to develop a list of companies that meet targeted Sudan divestment criteria.

Website and Articles:

http://www.issproxy.com

http://sudandivestment.org/campaigns.asp?campaignID=55

Contact:

Mark Tulay
Institutional Shareholder Services
(301) 556-0226
Mark.Tulay@issproxy.com

Invested Interests

The Sudan Divestment Task Force and Invested Interests have created the first online tool allowing individuals to screen their mutual funds for investments in companies supporting the Sudanese government. The Sudan Screening Tool (www.sudandivestment.org/screener.asp) provides visitors with a report detailing the names, dollar value and percent of total assets invested in offending companies. Sudan divestment data has previously been available only to large institutions. The Sudan Screening Tool allows for any mutual fund investor, approximately 57 million U.S. households, to actively participate in Sudan divestment.

Additionally, Invested Interests offers consulting services for compliance with targeted Sudan divestment legislation.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=58

Contact:

Brandon Small
Invested Interests
(800) 613-7875
www.investedinterests.com

The Institute for Christian Worldview Research (ICWR)

ICWR primarily serves the institutional and retail Christian marketplace, but its research is available to all who are interested in the issues examined by the company. The staff at ICWR conducts in-depth proprietary research on the activities of public companies, both domestic and foreign, and maintains a database of well over 2000 companies. ICWR's information covers 57 areas of corporate activity. ICWR's human rights research, in particular, focuses on companies that operate in Sudan, in other state sponsors of terror and in countries identified as oppressive regimes.

ICWR provides customized screening services that guide the client in the portfolio selection process. ICWR works with both plan sponsors and money managers to provide exclusion lists, consulting on screening parameters and advice on establishing investment policy statements. Summary company reports provide an overview of Sudan-related corporate activity. Full company reports provide expanded details and confirming documentation relating to Sudan activity. Additionally, ICWR provides ongoing supplemental support services to the client.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=234

Contact:

Nancy Currid
Director of Research, ICWR
800-930-6949 x707
nancy.currid@icwr.com

IW Financial

In May 2006, IW Financial announced that it will provide state treasurers with free access to research on companies doing business in Sudan. IW Financial is offering the data and — if requested — guidance on prospective implementation models to help further states' development of new laws or adherence to existing laws that require reporting, shareholder initiatives or blanket or targeted divestment from companies with operations in that country.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=57

Press Release:

http://www.socialfunds.com/news/release.cgi/5668.html

Contact:

Craig Muska
Director of Business Development, IW Financial
(503) 892-8740
craigmuska@iwfinancial.com

KLD Research & Analytics Inc.

KLD Research & Analytics, Inc. launched its Sudan Targeted Divestment Compliance product on July 26, 2007. The product is compatible with the Sudan Divestment Task Force model and endorsed by SDTF.

KLD consults with SDTF on legislative criteria and investigation into certain companies. However, KLD independently researches all company information involved in constructing this product.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=56

Contact:

Randy O'Neil
KLD Research & Analytics Inc.
(617) 426-5270 ex. 204
roneil@kld.com

Sudan Divestment Task Force

The Sudan Divestment Task Force offers free lists and research on companies that meet targeted divestment criteria. Research utilizes all publicly available information (including company letters to fiduciaries, news articles, company websites, direct company inquiry, and foreign policy expert consultation) to determine whether companies operating in Sudan meet SDTF criteria. Companies which possibly meet SDTF criteria are tracked daily through a variety of sources and searches. SDTF also carries out a daily monitoring of new company operations in Sudan and determines whether any of those operations meet our criteria. All SDTF company data is available upon request.

The Sudan Divestment Task Force and Invested Interests have created the first online tool allowing individuals to screen their mutual funds for investments in companies supporting the Sudanese government. The Sudan Screening Tool (www.sudandivestment.org/screener.asp) provides visitors with a report detailing the names, dollar value and percent of total assets invested in offending companies. Sudan divestment data has previously been available only to large institutions. The Sudan Screening Tool allows for any mutual fund investor, approximately 57 million U.S. households, to actively participate in Sudan divestment.

STDF has also teamed up with the Calvert Group, one of the largest providers of socially-responsible mutual funds, to augment SDTF research and company engagement efforts. Calvert has already reviewed SDTF's analytical criteria and will now work with SDTF to examine the activities of specific companies to help determine which should be targets for engagement and possible divestiture. At the same time, Calvert will combine this analytical support with advocacy outreach. Calvert has now certified its own mutual funds free of the companies identified by SDTF as offending companies.

Website and Articles:

http://sudandivestment.org/campaigns.asp?campaignID=156

Contact:

Sudan Divestment Task Force
info@sudandivestment.org

Attachment B

Sudan Divestment Task Force

“Divestment Statistics”

http://www.sudandivestment.org/statistics.asp

SUDAN DIVESTMENT TASK FORCE

GENOCIDE INTERVENTION NETWORK

"We - even we here - hold the power, and bear the responsibility."
-Abraham Lincoln

Join the Network

First Name:
Last Name:
E-mail:
ZIP:
submit

Actor Don Cheadle joined hundreds of students at the University of California in support of targeted Sudan divestment. In March, 2006, the University restricted holdings in nine "offending" companies.

Contact us at:

Info@SudanDivestment.Org

Click here to donate to the Sudan Divestment Task Force

***Pro Bono* Legal Counsel from Cooley Godward Kronish LLP**

Analytical support from Calvert

In partnership with

Divestment Statistics

Figures for States, Universities, Cities, International & Religious Organizations and Countries.

Last updated on January 25, 2008

22 States have adopted divestment policies from Sudan. Fifteen of these states have passed the Sudan Divestment Task Force model of targeted Sudan divestment: **California, Colorado, Florida, Hawaii, Indiana, Iowa, Kansas, Massachusetts, Minnesota, New Mexico, New York, North Carolina, Rhode Island, Texas, and Vermont**. Seven of these states have developed state specific methods of Sudan divestment: **Arkansas, Connecticut, Illinois, Maine, Maryland, New Jersey and Oregon**.

23 additional States have initiated Sudan divestment campaigns. Eleven of these states have targeted Sudan divestment legislation currently introduced: **Alaska, Michigan, Nebraska, New Hampshire, Ohio, Pennsylvania, Tennessee, Utah, Virginia, West Virginia and Wisconsin**. Twelve of these states have campaigns awaiting introduction of legislation or are pursuing Sudan divestment by other means: **Alabama, Arizona, Delaware, Georgia, Idaho, Kentucky, Louisiana, Missouri, Nevada, Oklahoma, South Carolina and Wyoming.**

The United States Government has approved the **Sudan Accountability and Divestment Act** which authorizes and encourages state and local divestment, prohibits federal contracts with problematic companies that operate in Sudan's oil, power, mineral and military sectors and provides legal protections to asset managers that choose to divest from Sudan.

58 Universities have adopted divestment policies from Sudan. From the first University, **Harvard**, to the most recent, including **Case Western Reserve University, Denison University, Trinity University, Roosevelt University,** and **Rensselaer Polytechnic Institute** in a display of grassroots power, students, faculty and administrators have united to ensure that their schools make conscionable, genocide-free investments.

47 Universities have initiated campaigns to pursue Sudan divestment policies.

12 Cities have adopted divestment policies from Sudan: **Baltimore, MD; Cleveland, OH; Denver, CO; Los Angeles, CA; Miami Beach, FL; New Haven, CT; Newton, MA; Philadelphia, PA; Pittsburgh, PA; Providence, RI; San Francisco, CA; and Worcester, MA**.

9 International and Religious Organizations have adopted divestment policies from Sudan: **American Jewish World Service, Boston Foundation, National Council of Jewish Women, National Ministries, Massachusetts Council of Human Service Providers, Presbyterian Church USA, Union for Reform Judaism, Unitarian Universalist Association and United Jewish Communities.**

15 Countries have initiated targeted Sudan divestment campaigns. International divestment campaigns currently include Australia, Belgium, Canada, Germany, Japan, Norway, Netherlands, New Zealand, Ireland, Italy, Sweden, Switzerland, South Africa, the US, and the UK.

9 Companies **La Mancha Resources, CHC Helicopter, ABB, Siemens, Rolls Royce, ICSA of India, Weatherford International, Weir Group and Schlumberger**—have ceased operations in Sudan (or formalized and publicized a plan to do so), or significantly changed their behavior in the country since the proliferation of the Sudan divestment movement. Several of the companies have directly and/or publicly cited the Sudan divestment movement as a cause of their actions, while others have mentioned "humanitarian," "political," and even "moral" concerns related to Sudan.

Attachment C

Sudan Divestment Task Force

“Targeted Sudan Divestment: Model Legislation”

http://www.sudandivestment.org/docs/task_force_targeted_divestment_model.pdf

SUDAN DIVESTMENT
TASK FORCE
A project of the Genocide Intervention Network
1333 H Street NW, Washington, DC 20005

PHONE (202) 481-8220
FAX (800) 991-2024
E-MAIL info@SudanDivestment.org
WEB SITE www.SudanDivestment.org

Targeted Sudan Divestment: Model Legislation

The Divestment Policy of
The Sudan Divestment Task Force

December 8, 2006 **(UPDATED *January 22, 2008*)**

In this document, sections that are highlighted in red are intended to be filled in by each institution, council, or legislature adopting targeted divestment.

AN ACT relating to: provisions for how the [pension fund systems or other affected entities of the state] shall address certain investments relating to Sudan.

The people of the [State of x, represented in the State Senate and Assembly], do enact as follows:

Section 1: Legislative Findings

(a) On July 23, 2004, the United States Congress declared that "the atrocities unfolding in Darfur, Sudan, are genocide."

(b) On September 9, 2004, Secretary of State Colin L. Powell told the U.S. Senate Foreign Relations Committee that "genocide has occurred and may still be occurring in Darfur" and "the Government of Sudan and the Janjaweed bear responsibility."

(c) On September 21, 2004, addressing the United Nations General Assembly, President George W. Bush affirmed the Secretary of State's finding and stated, "[A]t this hour, the world is witnessing terrible suffering and horrible crimes in the Darfur region of Sudan, crimes my government has concluded are genocide."

(d) On December 7, 2004, the U.S. Congress noted that the genocidal policy in Darfur has led to reports of "systematic rape of thousands of women and girls, the abduction of women and children, and the destruction of hundreds of ethnically African villages, including the poisoning of their wells and the plunder of their crops and cattle upon which the people of such villages sustain themselves."

(e) Also on December 7, 2004, Congress found that "the Government of Sudan has restricted access by humanitarian and human rights workers to the Darfur area through intimidation by military and security forces, and through bureaucratic and administrative obstruction, in an attempt to inflict the most devastating harm on those individuals displaced from their villages and homes without any means of sustenance or shelter."

(f) On September 25, 2006, Congress reaffirmed that "the genocide unfolding in the Darfur region of Sudan is characterized by acts of terrorism and atrocities directed against civilians, including mass murder, rape, and sexual violence committed by the Janjaweed and associated militias with the complicity and support of the National Congress Party-led faction of the Government of Sudan."

(g) On September 26, 2006, the U.S. House of Representatives stated that "an estimated 300,000 to 400,000 people have been killed by the Government of Sudan and its Janjaweed allies since the [Darfur] crisis began in 2003, more than 2,000,000 people have been displaced from their homes, and more than 250,000 people from Darfur remain in refugee camps in Chad."

(h) The Darfur crisis represents the first time the United States Government has labeled ongoing atrocities a genocide.

(i) The Federal Government has imposed sanctions against the Government of Sudan since 1997. These sanctions are monitored through the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

(j) According to a former chair of the U.S. Securities and Exchange Commission, "the fact that a foreign company is doing material business with a country, government, or entity on OFAC's sanctions list is, in the SEC staff's view, substantially likely to be significant to a reasonable investor's decision about whether to invest in that company."

(k) Since 1993, the U.S. Secretary of State has determined that Sudan is a country the government of which has repeatedly provided support for acts of international terrorism, thereby restricting United States assistance, defense exports and sales, and financial and other transactions with the Government of Sudan.

(l) A 2006 U.S. House of Representatives report states that "a company's association with sponsors of terrorism and human rights abuses, no matter how large or small, can have a materially adverse result on a public company's operations, financial condition, earnings, and stock prices, all of which can negatively affect the value of an investment."

(m) In response to the financial risk posed by investments in companies doing business with a terrorist-sponsoring state, the Securities and Exchange Commission established its Office of Global Security Risk to provide for enhanced disclosure of material information regarding such companies.

(n) The current Sudan divestment movement encompasses nearly 100 universities, cities, states, and private pension plans.

(o) On December 31st, 2007, President George W. Bush signed the Sudan Accountability and Divestment Act (S.2271). The legislation passed the Senate and House unanimously. The law authorizes state and local governments to adopt targeted Sudan divestment policies and prohibits federal contracts with problematic companies that operate in the Sudan's oil, power, mineral and military sectors.

(p) Companies facing such widespread divestment present further material risk to remaining investors.

(q) It is a fundamental responsibility of the [State of X] to decide where, how, and by whom financial resources in its control should be invested, taking into account numerous pertinent factors.

(r) It is the prerogative and desire of the [State of X], in respect to investment resources in its control and to the extent reasonable, with due consideration for, among other things, return on investment, on behalf of itself and its investment beneficiaries, not to participate in an ownership or capital-providing capacity with entities that provide significant practical support for genocide, including certain non-United States companies presently doing business in Sudan.

(s) It is the judgment of the [State Legislature] that this Act should remain in effect only insofar as it continues to be consistent with, and does not unduly interfere with, the foreign policy of the United States as determined by the Federal Government.

(t) It is the judgment of this [State Legislature] that mandatory divestment of public funds from certain companies is a measure that should be employed sparingly and judiciously. A Congressional and Presidential declaration of genocide satisfies this high threshold.

Section 2: Definitions

As used in this Act, the following definitions shall apply:

(a) "Active Business Operations" means all Business Operations that are not Inactive Business Operations.

(b) "Business Operations" means engaging in commerce in any form in Sudan, including by acquiring, developing, maintaining, owning, selling, possessing, leasing, or operating equipment, facilities, personnel, products, services, personal property, real property, or any other apparatus of business or commerce.

(c) "Company" means any sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, limited liability company, or other entity or business association, including all wholly-owned subsidiaries, majority-owned subsidiaries, parent companies, or affiliates of such entities or business associations, that exists for profit-making purposes.

(d) "Complicit" means taking actions during any preceding twenty (20) month period which have directly supported or promoted the genocidal campaign in Darfur, including, but not limited to, preventing Darfur's victimized population from communicating with each other, encouraging Sudanese citizens to speak out against an internationally approved security force for Darfur, actively working to deny, cover up, or alter the record on human rights abuses in Darfur, or other similar actions.

(e) "Direct Holdings" in a Company means all securities of that Company held directly by the Public Fund or in an account or fund in which the Public Fund owns all shares or interests.

(f) "Government of Sudan" means the government in Khartoum, Sudan, which is led by the National Congress Party (formerly known as the National Islamic Front) or any successor government formed on or after October 13, 2006 (including the coalition National Unity Government agreed upon in the Comprehensive Peace Agreement for Sudan) and does not include the regional government of southern Sudan.

(g) "Inactive Business Operations" means the mere continued holding or renewal of rights to property previously operated for the purpose of generating revenues but not presently deployed for such purpose.

(h) "Indirect Holdings" in a Company means all securities of that Company held in an account or fund, such as a mutual fund, managed by one or more persons not employed by the Public Fund, in which the Public Fund owns shares or interests together with other investors not subject to the provisions of this Act.

(i) "Marginalized Populations Of Sudan" include, but are not limited to, the portion of the population in the Darfur region that has been genocidally victimized; the portion of the population of southern Sudan victimized by Sudan's North-South civil war; the Beja, Rashidiya, and other similarly underserved groups of eastern Sudan; the Nubian and other similarly underserved groups in Sudan's Abyei, Southern Blue Nile, and Nuba

Mountain regions; and the Amri, Hamadab, Manasir, and other similarly underserved groups of northern Sudan.

(j) "Military Equipment" means weapons, arms, military supplies, and equipment that readily may be used for military purposes, including, but not limited to, radar systems or military-grade transport vehicles; or supplies or services sold or provided directly or indirectly to any force actively participating in armed conflict in Sudan.

(k) "Mineral Extraction Activities" include exploring, extracting, processing, transporting, or wholesale selling or trading of elemental minerals or associated metal alloys or oxides (ore), including gold, copper, chromium, chromite, diamonds, iron, iron ore, silver, tungsten, uranium, and zinc, as well as facilitating such activities, including by providing supplies or services in support of such activities.

(l) "Oil-Related Activities" include, but are not limited to, owning rights to oil blocks; exporting, extracting, producing, refining, processing, exploring for, transporting, selling, or trading of oil; constructing, maintaining, or operating a pipeline, refinery, or other oil-field infrastructure; and facilitating such activities, including by providing supplies or services in support of such activities, provided that the mere retail sale of gasoline and related consumer products shall not be considered Oil-Related Activities.

(m) "Power Production Activities" means any Business Operation that involves a project commissioned by the National Electricity Corporation (NEC) of Sudan or other similar Government of Sudan entity whose purpose is to facilitate power generation and delivery, including, but not limited to, establishing power-generating plants or hydroelectric dams, selling or installing components for the project, providing service contracts related to the installation or maintenance of the project, as well as facilitating such activities, including by providing supplies or services in support of such activities.

(n) “Public Fund” means [the state’s pension fund systems and other affected assets] or the [trustees and other appropriate designates] in charge of [the state’s pension fund systems and other assets targeted by this bill].

[*Important Drafting Note: It is critical in this definition to specify precisely which of the many funds/assets managed by the state will be targeted (or, more generally, which TYPES of funds/assets are to be targeted) and then specify exactly who the appropriate manager of such funds/assets are. It may be the case that not all funds/assets under management by a trustee are appropriate for targeting and this needs to be specified here in the definition of Public Fund.]*

(o) “Scrutinized” Company means any Company that meets the criteria in paragraph (1), paragraph (2), or paragraph (3) below:

(1) The Company has Business Operations that involve contracts with and/or provision of supplies or services to (A) the Government of Sudan, (B) Companies in which the Government of Sudan has any direct or indirect equity share, (C) Government of Sudan-commissioned consortiums or projects, or (D) Companies involved in Government of Sudan-commissioned consortiums or projects; and

(i) More than ten percent (10%) of the Company’s revenues or assets linked to Sudan involve Oil-Related Activities or Mineral Extraction Activities; less than seventy-five percent (75%) of the Company’s revenues or assets linked to Sudan involve contracts with and/or provision of Oil-Related or Mineral Extracting products or services to the regional government of southern Sudan or a project or consortium created exclusively by that regional government; and the Company has failed to take Substantial Action; or

(ii) More than ten percent (10%) of the Company’s revenues or assets linked to Sudan involve Power Production Activities; less than seventy-five percent (75%) of the Company’s Power Production Activities include projects whose intent is to provide power or electricity to the Marginalized Populations Of Sudan; and the Company has failed to take Substantial Action.

(2) The Company is Complicit in the Darfur genocide.

(3) The Company supplies Military Equipment within Sudan, unless it clearly shows that the Military Equipment cannot be used to facilitate offensive military actions in Sudan or the Company implements rigorous and verifiable safeguards to prevent use of that equipment by forces actively participating in armed conflict, for example, through post-sale tracking of such equipment by the Company, certification from a reputable and objective third party that such equipment is not being used by a party participating in armed conflict in Sudan, or sale of such equipment solely to the regional government of southern Sudan or any internationally recognized peacekeeping force or humanitarian organization.

Notwithstanding anything herein to the contrary, a Social Development Company which is not Complicit in the Darfur genocide shall not be considered a Scrutinized Company.

(p) "Social Development Company" means a Company whose primary purpose in Sudan is to provide humanitarian goods or services, including medicine or medical equipment, agricultural supplies or infrastructure, educational opportunities, journalism-related activities, information or information materials, spiritual-related activities, services of a purely clerical or reporting nature, food, clothing, or general consumer goods that are unrelated to Oil-Related Activities, Mineral Extraction Activities, or Power Production Activities.

(q) "Substantial Action" means adopting, publicizing, and implementing a formal plan to cease Scrutinized Business Operations within one year and to refrain from any such new Business Operations; undertaking significant humanitarian efforts in conjunction with an international organization, the Government of Sudan, the regional government of southern Sudan, or a non-profit entity and evaluated and certified by an independent third party to be substantial in relationship to the company's Sudan Business Operations and of benefit to one or more Marginalized Populations of Sudan; or through engagement with the Government of Sudan, materially improving conditions for the genocidally victimized population in Darfur.

Section 3: Identification of Companies

(a) Within 90 days following passage of this Act, the Public Fund shall make its best efforts to identify all Scrutinized Companies in which the Public Fund has Direct or Indirect Holdings or could possibly have such holdings in the future. Such efforts shall include, as appropriate:

> (1) Reviewing and relying, as appropriate in the Public Fund’s judgment, on publicly available information regarding Companies with Business Operations in Sudan, including information provided by non-profit organizations, research firms, international organizations, and government entities; and/or
>
> (2) Contacting asset managers contracted by the Public Fund that invest in Companies with Business Operations in Sudan; and/or
>
> (3) Contacting other institutional investors that have divested from and/or engaged with Companies that have Business Operations in Sudan.

(b) By the first meeting of the Public Fund following the 90-day period described in subsection (a), the Public Fund shall assemble all Scrutinized Companies identified into a “Scrutinized Companies List.”

(c) The Public Fund shall update the Scrutinized Companies List on a quarterly basis based on evolving information from, among other sources, those listed in subsection (a).

Section 4: Required Actions

The Public Fund shall adhere to the following procedure for Companies on the Scrutinized Companies List:

(a) Engagement

(1) The Public Fund shall immediately determine the Companies on the Scrutinized Companies List in which the Public Fund owns Direct or Indirect Holdings.

(2) For each Company on the Scrutinized Companies List with only Inactive Business Operations, the Public Fund shall send a written notice informing the Company of this Act and encouraging it to continue to refrain from initiating Active Business Operations in Sudan until it is able to avoid Scrutinized Business Operations. The Public Fund shall continue such correspondence on a semi-annual basis.

(3) For each Company on the Scrutinized Companies List with Active Business Operations, the Public Fund shall send a written notice informing the Company of its Scrutinized Company status and that it may become subject to divestment or prohibition by the Public Fund. The notice shall offer the Company the opportunity to clarify its Sudan-related activities and shall encourage the Company, within 90 days, to either cease its Scrutinized Business Operations or convert such operations to Inactive Business Operations in order to avoid qualifying for divestment or prohibition by the Public Fund.

(4) If, within 90 days following the Public Fund's first engagement with a Company pursuant to paragraph (3), that Company ceases Scrutinized Business Operations, the Company shall be removed from the Scrutinized Companies List and the provisions of this Section shall cease to apply to it unless it resumes

Scrutinized Business Operations. If, within 90 days following the Public Fund's first engagement, the Company converts its Scrutinized Active Business Operations to Inactive Business Operations, the Company shall be subject to all provisions relating thereto.

(b) Divestment

(1) If, after 90 days following the Public Fund's first engagement with a Company identified in paragraph (a)(1) pursuant to subsection (a)(3), the Company continues to have Scrutinized Active Business Operations, and only while such Company continues to have Scrutinized Active Business Operations, the Public Fund shall sell, redeem, divest, or withdraw all publicly-traded securities of the Company, except as provided below, according to the following schedule:

(i) At least 50% of such assets shall be removed from the Public Fund's assets under management by 9 months after the Company's most recent appearance on the Scrutinized Companies List.

(ii) 100% of such assets shall be removed from the Public Fund's assets under management within 15 months after the Company's most recent appearance on the Scrutinized Companies List.

(2) If a Company that ceased Scrutinized Active Business Operations following engagement pursuant to subsection (a)(3) resumes such operations, paragraph (1) shall immediately apply, and the Public Fund shall send a written notice to the Company. The Company shall also be immediately reintroduced onto the Scrutinized Companies List.

(c) Prohibition

At no time shall the Public Fund acquire securities of Companies on the Scrutinized Companies List that have Active Business Operations, except as provided below.

(d) Exemption

No Company which the United States Government affirmatively declares to be excluded from its present or any future federal sanctions regime relating to Sudan shall be subject to divestment or investment prohibition pursuant to subsections (b) and (c).

(e) Excluded Securities

Notwithstanding anything herein to the contrary, subsections (b) and (c) shall not apply to Indirect Holdings in actively managed investment funds. The Public Fund shall, however, submit letters to the managers of such investment funds containing Companies with Scrutinized Active Business Operations requesting that they consider removing such Companies from the fund or create a similar actively managed fund with Indirect Holdings devoid of such Companies. If the manager creates a similar fund, the Public Fund shall replace all applicable investments with investments in the similar fund in an expedited timeframe consistent with prudent investing standards. For the purposes of this Section, “private equity” funds shall be deemed to be actively managed investment funds.

<u>Section 5: Reporting</u>

(a) Within 30 days of the passage of this Act, the Public Fund shall file a written report to the United States Attorney General detailing the requirements contained in this Act.

(b) The Public Fund shall file a publicly-available report to the [State Legislature and Attorney General] that includes the Scrutinized Companies List within 30 days after the list is created.

(c) Annually thereafter, the Public Fund shall file a publicly-available report to the [State Legislature and Attorney General] and send copies of that report to the United States Attorney General and the United States Presidential Envoy to Sudan (or an appropriate designee or successor) that includes:

> (1) A summary of correspondence with Companies engaged by the Public Fund under Sections 4(a)(2) and (a)(3);
>
> (2) All investments sold, redeemed, divested, or withdrawn in compliance with Section 4(b);
>
> (3) All prohibited investments under Section 4(c); and
>
> (4) Any progress made under Section 4(e).

<u>Section 6: Provisions for Expiration of Act</u>

This Act shall expire upon the occurrence of any of the following:

(a) The Congress or President of the United States declares that the Darfur genocide has been halted for at least 12 months; or

(b) The United States revokes all sanctions imposed against the Government of Sudan; or

(c) The Congress or President of the United States declares that the Government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons; or

(d) The Congress or President of the United States, through legislation or executive order, declares that mandatory divestment of the type provided for in this Act interferes with the conduct of United States foreign policy.

Section 7: Other Legal Obligations

With respect to actions taken in compliance with this Act, including all good faith determinations regarding Companies as required by this Act, the Public Fund shall be exempt from any conflicting statutory or common law obligations, including any such obligations in respect to choice of asset managers, investment funds, or investments for the Public Fund's securities portfolios.

Section 8: Reinvestment in Certain Companies with Scrutinized Active Business Operations

Notwithstanding anything herein to the contrary, the Public Fund shall be permitted to cease divesting from certain Scrutinized Companies pursuant to Section 4(b) and/or reinvest in certain Scrutinized Companies from which it divested pursuant to Section 4(b) if clear and convincing evidence shows that the value for all assets under management by the Public Fund becomes equal to or less than 99.50% (50 basis points) of the hypothetical value of all assets under management by the Public Fund assuming no divestment for any company had occurred under Section 4(b). Cessation of divestment, reinvestment, and/or any subsequent ongoing investment authorized by this section shall be strictly limited to the minimum steps necessary to avoid the contingency set forth in the preceding sentence. For any cessation of divestment, reinvestment, and/or subsequent ongoing investment authorized by this section, the Public Fund shall provide a written report to the [State Legislature and Attorney General] in advance of initial reinvestment, updated semi-annually thereafter as applicable, setting forth the reasons and justification, supported by clear and convincing evidence, for its decisions to cease divestment, reinvest, and/or remain invested in Companies with Scrutinized Active Business Operations. This section has no application to reinvestment in Companies on the ground that they have ceased to have Scrutinized Active Business Operations.

Section 9: Enforcement

The Attorney General is charged with enforcing the provisions of this Act and, through any lawful designee, may bring such actions in court as are necessary to do so.

Section 10: Severability

If any one or more provision, section, subsection, sentence, clause, phrase, or word of this legislation or the application thereof to any person or circumstance is found to be invalid, illegal, unenforceable or unconstitutional, the same is hereby declared to be severable and the balance of this legislation shall remain effective and functional notwithstanding such invalidity, illegality, unenforceability or unconstitutionality. The [State Legislature] hereby declares that it would have passed this legislation, and each provision, section, subsection, sentence, clause, phrase or word thereof, irrespective of the fact that any one or more provision, section, subsection, sentence, clause, phrase, or word be declared invalid, illegal, unenforceable or unconstitutional, including, but not limited to, each of the engagement, divestment, and prohibition provisions of this legislation.

Attachment D

"Should Public Plans Engage in Social Investing?"

Alicia Munnell, Center for Retirement Research at Boston College, August 2007

CENTER FOR
RETIREMENT
RESEARCH
AT BOSTON COLLEGE

August 2007, Number 7-12

SHOULD PUBLIC PLANS ENGAGE IN SOCIAL INVESTING?

By Alicia H. Munnell*

Introduction

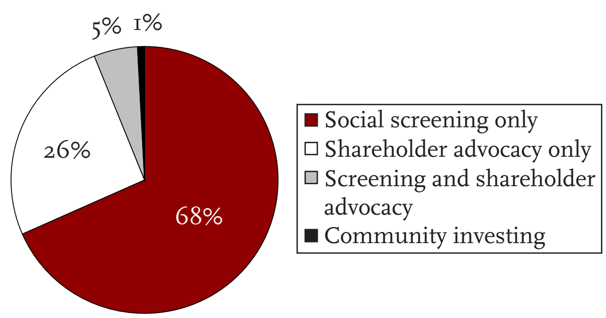
Social investing is a movement that advocates incorporating social and environmental considerations, as well as financial factors, when making investment decisions. The most recent incarnation of this movement is the initiative by state legislatures to force public pension funds to sell their holdings of companies doing business in Sudan. The effort to divest Sudan-linked stocks began in 2004 after the U.S. government characterized the killing and displacement in Darfur province as genocide.[1] Riding on the coattails of the success of the Sudan effort, state legislatures have now targeted Iran, with a goal of "terror-free" investing. The emotional appeal of such actions is powerful. Over 2 million civilians have been displaced and more than 200,000 slaughtered in Darfur since 2003.[2] And Iran refuses to back away from its pursuit of nuclear weapons.[3] But strong arguments also exist against using public pension plans to accomplish foreign policy goals.

This *brief* explores the current world of social investing, the recent efforts regarding the Sudan and Iran, the likely impact of social investing on the target firms, and the reasons why such activity may be inappropriate for public pension plans.

What Is Social Investing? How Much? Who's Doing It?

Social investing takes three primary forms: 1) screening (either excluding "bad" companies or including "good" companies); 2) shareholder advocacy; and 3) community investing. The Social Investment Forum (SIF), a trade group of social investors, reports that at the end of 2005, in terms of assets under management, screening is by far the most prevalent approach (see Figure 1). Significantly less is involved in shareholder advocacy, and community investing activity is tiny.

Figure 1. Social Investing in the United States by Type of Strategy, 2005



Source: Social Investment Forum (2006).

* Alicia H. Munnell is the Director of the Center for Retirement Research at Boston College (CRR) and the Peter F. Drucker Professor of Management Sciences at Boston College's Carroll School of Management. Jerilyn Libby served as the major research assistant on this project; Dan Muldoon also provided able assistance. John Langbein and Alan Marcus provided valuable comments.

Table 1. Assets in Socially Screened Portfolios, 1999-2005 (Billions)

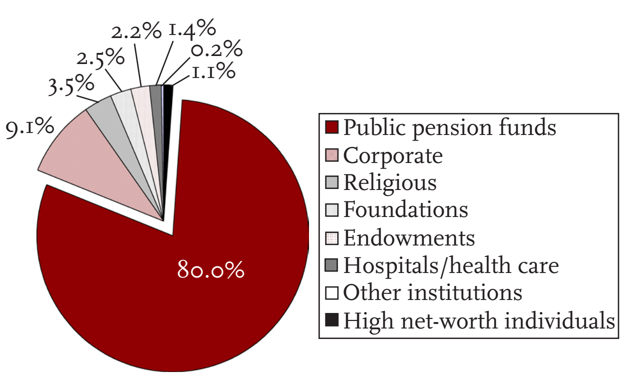
Year	Mutual funds	Separate accounts	Total
1995	$12	$150	$162
1997	96	433	529
1999	154	1,343	1,497
2001	140	1,870	2,010
2003	151	1,992	2,143
2005	179	1,506	1,685

Source: Center for Retirement Research at Boston College (2006).

The Social Investment Forum reports that as of the end of 2005, mutual funds with social screens held $179 billion and that socially screened "separate accounts," which are managed for individuals and institutional clients, held $1,506 billion (see Table 1). The SIF calculates that these totals amount to 9.4 percent of all public and private assets under management.

The bulk of the money in separate accounts (80 percent) is the assets of public pension funds (see Figure 2). And screening is pervasive among public funds. The SIF numbers suggest that, in 2005, $1.2 trillion of public pension fund assets were screened by some criteria. These screened assets accounted for 45 percent of total state and local pension holdings in that year.[4]

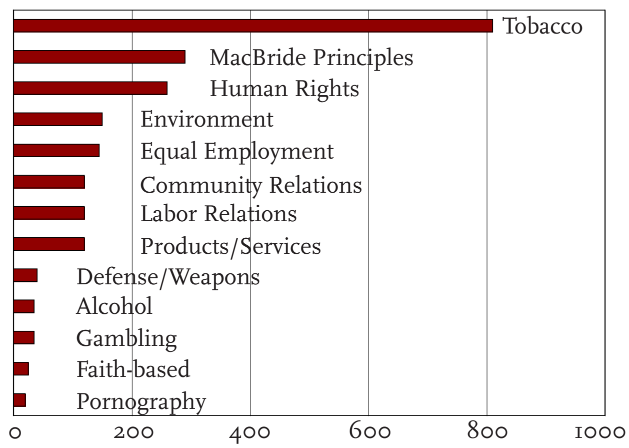
Figure 2. Socially Screened Investor Assets, 2005



Source: Social Investment Forum (2006).

The screens vary by the nature of the customer. As of 2005, by far the most popular approach for mutual funds was a negative screen for tobacco; alcohol came in second; gambling third.[5] But the pattern for institutional separate accounts, which is dominated by public plans, is quite different. For these accounts, the MacBride Principles (relating to fair hiring in Northern Ireland), Human Rights, the Environment, and Equal Employment Opportunity ranked among the top social concerns (see Figure 3).

Figure 3. Social Screening by Institutional Investors, 2005 (Billions)



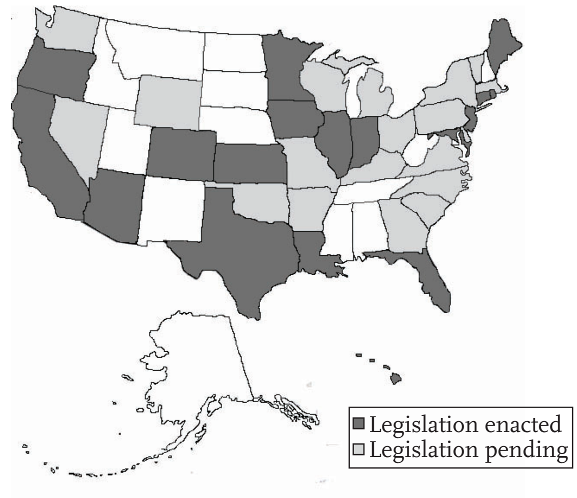
Source: Social Investment Forum (2006).

Note that almost none of the screened money is held in private sector defined benefit pension funds.[6] These private plans are covered by the Employee Retirement Income Security Act (ERISA), and right from the beginning the Department of Labor has stringently enforced ERISA's duties of loyalty and prudence.[7] In 1980, the chief administrator of the Department of Labor's pension section published an influential article that warned that the exclusion of investment options would be very hard to defend under ERISA's prudence and loyalty tests.[8] And a 1994 Interpretive Bulletin reminded fiduciaries that they are prohibited from subordinating the interests of participants and beneficiaries ... to unrelated objectives."[9] Thus, ERISA fiduciary law has effectively constrained social investing in private sector defined benefit plans.[10] Social investing is a public pension fund phenomenon.

Recent Developments – Sudan and Now Iran

During 2005, and therefore not reflected in Figure 3, state legislatures in Arizona, Illinois, Louisiana, New Jersey, and Oregon passed legislation related to companies with operations in Sudan.[11] Since then some states have branched out to include Iran. And Missouri has taken the lead in initiating an entirely "terror-free" investment policy. American companies have been barred for some time from doing business in either Sudan or with states considered sponsors of terrorism according to the U.S. State Department (Cuba, Iran, North Korea, Sudan and Syria).[12] But in a world of global investing, U.S. investors can have a link to Sudan or "terror states" through foreign stock holdings. Such foreign holdings would be most affected by the recent state legislation.

Figure 4. States that Have Enacted or Are Considering Sudan Divestment Legislation, 2007



Sources: National Conference of State Legislatures (2007); Office of Missouri State Treasurer (2005); Sudan Divestment Task Force (2007); State of Arizona (2005), State of Arkansas (2007); and State of Louisiana (2005 and 2007).

Sudan

As of August 2007, eighteen states have passed laws regarding divestment of state pension and other funds from Sudan (see Figure 4).[13] Divesting is not easy, however. State and local pension funds tend to invest in global indices, so the exercise involves identifying the companies with links to Sudan and then constructing a Sudan-free index that mimics established benchmarks.

Generally, the states have asked their money managers to figure out which stocks have a Sudan link. Money managers, in turn, have left it to the social investing firms, such as KLD Research and Analytics, Institutional Shareholders Services, and the Conflict Securities Advisory Group to identify companies involved in Sudan. KLD originally said that 124 companies were on its Sudan list, including eight American companies.[14] The social investing firms refuse to make the names public, however, since that is how they earn their money.[15] And apparently, the lists are not definitive. Some companies appeared on the original KLD list even though they were not actually doing business in Sudan. And for at least one, 3M, its involvement was the result of a U.N. purchase of Scotchshield Ultra Safety and Security Film to protect embassy and mission windows from explosions, a transaction that was authorized by the federal government.[16]

The Sudan Divestment Task Force (2007) publishes a more tightly targeted list, recommending the divestment of only 28 companies. These are companies that 1) do business with the Sudanese government; 2) provide little benefit to the disadvantaged of Sudan; and 3) have not developed policies to prevent their business activities from inadvertently contributing to the government's genocide capability.

Fund managers take the Sudan-link list and attempt to construct "Sudan Free" funds that mimic popular benchmarks. This step is also a challenge. According to the chief investment strategist at Northern Trust, whose fund tracks the Morgan Stanley Capital International Europe Australasia Far East index (MSCI EAFE) index, constructing a "Sudan-free" index will require divesting 25 companies or 9 percent of assets.[17]

Despite the challenges involved, public funds have moved $2.2 billion away from Sudan-linked companies between 2005 and 2007.[18]

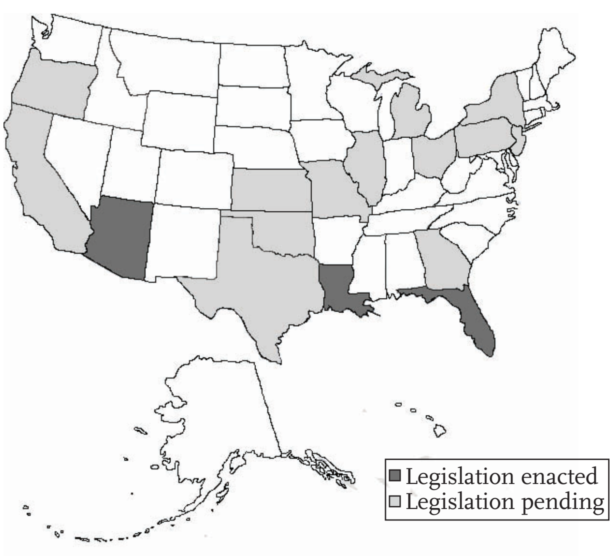
Iran

More recently, "terror-free" investment has been picking up steam. The primary targets are companies doing business in Iran.[19] As noted above, U.S. companies have long been barred from operating in Iran, but more than 200 multinationals have investments there, from Royal Dutch Shell and France's telecommunications-equipment company Alcatel to Sweden's electronics company Ericsson.[20]

On June 8, 2007, Florida's governor signed a Sudan and Iran Divestiture bill into law. Florida follows other states with regard to Sudan, but is the first to enact divestiture legislation for companies doing business with Iran.[21] Louisiana, which had passed "terror-free investing" legislation in 2005, permits — but does not require — divestment. Arizona, which also passed legislation in 2005, only requires the public retirement system to disclose investments in terror-linked companies. In Illinois, the state Senate passed an Iran divestment bill on June 14, 2007 which would compel the state's five retirement systems to divest Iran-connected companies in energy and other natural resources.[22] California, Georgia, Kansas, Michigan, Missouri, New Jersey, New York, Ohio, Oklahoma, Oregon, Pennsylvania, and Texas are also considering adopting Iran-free investing (see Figure 5).[23]

If some of the bills are passed in their broadest form, institutions may be forced to sell $18 billion in investments.[24] Selling all Iran-related securities would add substantial risk to an indexed international equity portfolio. State Street Global Advisors (SSgA), Boston, has had preliminary conversations with clients about Iran divestments. SSgA estimates that if all companies with ties to Iran were removed from Morgan Stanley's EAFE index and replaced with similar performing companies, it would introduce a tracking error of up to 200 basis points, compared to the tracking error on a typical index of between five and 10 basis points.[25]

Figure 5. States that Have Enacted or Are Considering Iran Divestment Legislation, 2007



Sources: National Conference of State Legislatures (2007); Office of Missouri State Treasurer (2005); State of Arizona (2005), and State of Louisiana (2005 and 2007).

Some state legislatures, however, are limiting the scope of divestiture to energy-related stocks, arguing that such action is likely to be most effective in curbing terrorist activities. Narrowing the scope greatly reduces the number of stocks and amount that would have to be sold.[26]

Iran is a more politically complicated issue than Sudan. Sometimes promoters of "divest Iran" suggest that the effort is aimed at Al Qaeda.[27] But Al Qaeda is an enemy without a state and therefore difficult to target. In addition, the U.S. government is not enthusiastic about the effort, because it is working on its own initiative with allies to curtail business transactions tied to nuclear activities and support for terrorism. Treasury and State Department officials have expressed concern that broad-based divestiture could cause a backlash if allies feel that a wide range of companies is under attack.[28]

Despite the complexities involved with Iran, some states have gone even further and are pursuing "terror-free" investing, which extends the scope of the boycott to all the countries on the U.S. State Department's State Sponsors of Terrorism list, which includes Cuba, Syria, and North Korea. Missouri has been at the forefront of this movement. The State Treasurer claims that at least 500 big foreign companies and multinationals do at least some business in countries identified as sponsoring terrorism.[29] The Treasurer's goal is to have all Missouri's investments "terror–free," although the state legislature has not yet passed divestiture legislation for the state pension funds.[30] Anti-terrorism bills have been enacted in Arizona, Florida, and Louisiana.

Given the substantial amount of social investing by public pension funds, it is useful to consider the likely impact of such activity on the targets of the social screen and the likely impact on the pension funds themselves.

The Economics of Social Investing

The academic literature suggests that social screens are likely to have very little impact on the target company and that the impact on the pension fund depends on the scale of the screen.

Impact on Targeted Company

The SIF Report suggests that social investing will have a financial impact — that investors are putting their money to work in ways that will build “a better, more just, and sustainable economy.” The academic literature on the stock market, however, suggests the opposite. And a comprehensive survey on the effect of the South African boycott — the largest and most visible social action — documents virtually no effect, suggesting the real world mirrors the textbook model.

Injecting politics into pension policy is problematic.

According to standard finance theory, the price of any stock equals the present discounted value of expected future cash flows. Thus, the stock of a particular firm has a lot of close substitutes, which makes the demand curve for a particular stock, in economists’ terms, almost perfectly elastic.[31] That is, even a big change in quantity demanded will lead to only a small change in price. And any significant deviation from the fundamental price would represent a profitable trading opportunity that market participants would quickly exploit and thus correct.[32] In other words, boycotting tobacco stocks or international companies doing business in Sudan or Iran may result in a temporary fall in the stock price, but as long as some buyers remain they can swoop in, purchase the stock, and make money. And the buyers are out there. The “Vice Fund,” which was established in September 2002, specializes in only four sectors — alcohol, tobacco, arms, and gambling, and thus stands ready to buy the stocks screened out of standard portfolios.[33] Thus, the textbooks suggest that boycotting tobacco companies or international companies doing business in Iran is unlikely to have any impact on the price of their stocks.

A 1999 study took a comprehensive look at how equity prices responded to sanctions and pressures for firms to divest their holdings in South Africa.[34] The conclusion that emerges from a series of event studies is that the anti-apartheid shareholder and legislative boycotts had no negative effect on the valuation of banks or corporations with South African operations or on the South African financial markets. This is not to say that the boycott was not important politically, but merely that it did not impact financial markets. The study looks at pressure put on firms from both congressional action and divestiture by pension funds and universities.

The bulk of the congressional action occurred in 1985 and 1986, when the U.S. government passed legislation imposing trade embargoes, currency sanctions, and lending restrictions. Most importantly, the Comprehensive Anti-Apartheid Act of 1986 prohibited new private or public loans to South Africa other than for humanitarian purposes. To test the impact of this prohibition, the study identified ten important legislative events leading up to the 1986 Act and examined their impact on a portfolio of nine banks with South African loans. The results showed few significant effects on bank stock prices and where significant they were of the wrong sign.

Pension funds and universities also put pressure on corporations. Pension fund involvement in the South African issue began when a number of churches threatened to divest from banks doing business in South Africa. In 1977, the first iteration of the “Sullivan principles,” which called for nonsegregation of races and equal pay for equal work, was adopted in the hope that by adhering to these principles, companies could continue doing business in South Africa and at the same time promote nondiscrimination policies.[35] But many felt that the Sullivan principles did not go far enough, so Reverend Sullivan called in 1987 for companies to withdraw completely from South Africa. Many funds began to divest themselves even of companies that had followed these principles.[36] The study looked at the effect of 16 pension fund divestments on a portfolio of firms with the highest exposure in South Africa. The results showed no evidence that the pension fund divestment announcements hurt firms with major South African operations.

In short, financial textbooks characterize the demand curves for individual stock as infinitely elastic, so the price of the stock of a targeted company is unlikely to be affected by a boycott so long as additional buyers remain to scoop up the profit opportunity. The fact that an effort as large as the boycott of firms doing business in South Africa had virtually no effect on stock prices suggests that the financial effect of social investing on target firms is roughly zero.

Impact on the Pension Fund

But does social investing affect the pension fund adversely? Modern portfolio theory states that investors should diversify their asset holdings over a variety of securities, so that the returns on all financial assets do not move in lockstep.[37] The question is how many securities are needed for the portfolio to be efficient? The answer is that an investor needs only 20-30 stocks to construct a fully diversified portfolio.[38] The small number of required stocks suggests that eliminating, say, tobacco, which accounts for about 1 percent of the market capitalization of the S&P 500, should leave enough securities to construct something very, very close to the market index. As the number excluded increases, it would become increasingly difficult to duplicate the market.[39]

In terms of evidence, considerable research has compared the risk-adjusted return of screened portfolios to the return of unscreened portfolios. Most of the studies cover the period since the mid-1980s. Overall, the results show that the differences in risk-adjusted returns between the screened portfolios and unscreened portfolios are negligible and in most cases zero.[40] A few studies have focused on the effects of divestiture of tobacco stocks in the 1990s and show that the risk and returns for the S&P 500 with and without tobacco stocks were almost identical.[41]

In addition to comparing the performance of screened portfolios to the S&P 500, several studies have examined the performance of social investment funds relative to the S&P 500. The Domini Social Index includes 400 U.S. companies that pass multiple and broad-based social screens, and the Calvert Social Index is a broad-based index including 659 companies. The majority of these studies show that socially screened funds have no significant effect on risk-adjusted returns.[42]

In contrast, the evidence from the early days of the South Africa divestiture suggested that screening out stocks meant large losses. For example, in the 1970s, Princeton University reported that the stocks that had been excluded because of South Africa ties outperformed other holdings by 3 percent.[43] As time passed and researchers undertook more comprehensive studies, the conclusions shifted. For example, one study examined the performance of a South-Africa free portfolio compared to an unscreened NYSE portfolio for the period 1960-1983 and found that, after adjusting for risk, the portfolio excluding South Africa companies actually performed better than the unscreened portfolio.[44] The positive results occurred because companies with South Africa ties were large and excluding these companies increased reliance on small-cap stocks, which performed better on a risk-adjusted basis during this period. During the late 1980s, the results were also mixed. On the one hand, a 1998 study analyzed data from the Surveys of State and Local Employees (PENDAT) from the early 1990s and found no significant effect on returns from restrictions on South Africa investments.[45] On the other hand, the S&P 500 including South Africa stocks performed slightly better than the index without the stocks, and one study of public pension plans found that South Africa restrictions had a negative effect on returns.[46] Thus, a large divestiture movement could have some negative effect on returns earned by public plans.

State actions may conflict with federal foreign policy.

Another aspect that has received less attention is the administrative costs of social investing. It is possible that social investing is associated with higher fees and therefore has lower net returns because additional resources are required by fund managers to do the screening. The 2003 SIF Report concluded that socially responsible funds appear as competitive as other funds when it comes to administrative costs. However, others challenge this view by pointing out that some of the large-cap social index funds have above-average fees.[47] Moreover, in the case of Sudan and Iran, constructing new indices to match existing benchmarks involves substantial costs.

In short, theoretical models of portfolio choice imply that restricting the portfolio to socially responsible investments could have an effect on the rate of return by limiting the ability to diversify. Given the large number of stocks available, however, the cost — using traditional asset pricing models — is likely to be negligible. The bulk of the studies, which compare risk-adjusted returns for socially screened portfolios to those of unrestricted portfolios, supports this claim. Although a "terror-free" effort as large as the South African divestiture may have had some effect.[48] And administrative costs may be an important issue.

Public Plans Are Not Suited to Social Investing

In the late 1970s, some observers identified the large and rapidly growing funds in state and local pension plans as a mechanism for achieving socially and politically desirable objectives. The initial debate focused on attempts to exclude from pension portfolios companies with specific characteristics, such as those with almost totally nonunion workforces or investments in South Africa. The focus quickly shifted to undertaking pension investments that would foster social goals such as economic development and home ownership.[49] Advocates generally contended that the broader goals could be achieved without any loss of return.

Early reports, however, suggested that the targeting did involve sacrificing return. For example, a 1983 study of state-administered pension funds showed that many states had purchased publicly or privately insured mortgage-backed pass-through securities to increase homeownership in their state.[50] Analysis of the risk/return characteristics of these targeted mortgage investments revealed that 10 states either inadvertently or deliberately had sacrificed as much as 200 basis points to foster homeownership. Similarly, in 1992, Connecticut's state pension fund lost $25 million attempting to shore up Colt Industries. The firm went bankrupt two years after the fund bought a 47 percent interest in an attempt to protect Connecticut jobs.[51] In Kansas, the state pension fund lost between $100 and $200 million on defaulted loans from an in-state investment program that included a chain of video stores, a steel mill, and a failed savings and loan bank.[52] State and local pension funds were on a naïve and dangerous path.[53]

The losses in the 1980s and early 1990s were a sharp wake-up call to a number of public pension fund managers who appeared to believe that they could accomplish social goals without sacrificing returns. Over the last 20 years, the rhetoric associated with targeted investments has changed markedly. Public pension fund managers, sensitive to the potential for losses, go out of their way to make clear that they are no longer willing to sacrifice returns for social considerations; almost every definition of social investing includes a requirement that the investment produce a "market rate of return."

Divestment can be complicated, costly, and ineffective.

In the recent debate regarding Sudan and Iran, trustees of public plans have spoken out opposing such initiatives. Administrators at California's large public pension funds — CalPERS and CalSTERS — oppose the California bills requiring divestiture. A CalPERS spokesman said that determining which companies have dealings with Iran would be a struggle: "We don't necessarily have the resources or the expertise."[54] Similarly, the executive director of Massachusetts' Pension Reserves Investment Management Board, which invests public plan assets, said "You hire us to make you money, and when you restrict our ability to pick stocks, you likely restrict our ability to get returns."[55] Ohio's legislature initially considered following the Missouri model making investments "terror-free" by filtering out all stocks with links to North Korea, Syria, Sudan or Iran. The pension fund administrators argued that the measure would affect stocks of more than 170 companies and require the funds to sell more than $9 billion. Administrative costs would exceed $60 million.[56]

Moreover, legislative mandates for pension fund investing may have implications elsewhere in the state. For example, in the case of Ohio the "terror-free" investing bill would have roped in companies such as Honda, DaimlerChrsyler AG, Bridgestone Corporation, Siemens, and Thyssenkrupp AG, all of which had investments in Ohio.[57] The pension funds estimated these companies employed more than 45,000 workers. In response, the legislature narrowed the scope of the effort and decided to go after only those companies with more than $20 million in Iran's energy sector.[58]

Most importantly, three aspects of public pension funds make them particularly ill-suited vehicles for social investing.

First, the decision-makers and the stakeholders are not the same people. The decision-makers are either the fund board or the state legislature. The stakeholders are tomorrow's beneficiaries and/or taxpayers. If social investing produces losses either through higher administrative costs or lower returns, tomorrow's taxpayers will have to ante up or future retirees will receive lower benefits. The welfare of these future actors is not well represented in the decision-making process.

Second, whereas the investment practices of many large public funds are first rate, other boards are much less experienced. The boards of smaller funds often consist of between five and eleven people including mayors, treasurers, comptrollers, city councilors, union leaders, and citizens. The process is often conducted behind closed doors and subject to little public scrutiny. Moreover, many state and local plans are still run in-house and involve the selection of individual stocks rather than broad-based indices. A front page *New York Times* article reported that political money sometimes affects pension investment decisions. As a result, pension boards may overlook excessive fees or high rates of turnover, and they may approve inappropriate investments.[59] Introducing divestment requirements into such an environment is problematic.

The final issue is the slippery slope. This round of divestment began with Sudan and involved only a few stocks. It is quickly spreading to Iran, where the issues are even more complicated and the number of companies substantially greater. If "terror-free" investing gains momentum, what is going to stop the spread to, say, Saudi Arabia, original home of 15 of the 19 hijackers involved in the 9/11 terrorist attacks? At some point, the administrative costs of broad-based divestiture will balloon and excluding large numbers of companies will definitely hurt returns.

Conclusion

Everyone is horrified by genocide, and no one wants to support terror. Yet even those who sell socially responsible funds admit that the issue of divestiture is complex. "You have to ask yourself what your goal is with divestment. What's there if the government falls? Is there a government there that will take over and be better? If the companies that pull out provide money, goods, and services, is there an understanding that will make the people poorer in the short run?"[60] Yes, the regime changed in South Africa, but many South Africans say that it was the cultural boycott — particularly in sports — rather than the divestiture of companies with South-Africa-linked activities that resulted in the peaceful ascendance of Nelson Mandela as president.[61]

In addition to the issue of effectiveness, the fundamental question is where foreign policy should be made. Sudan does not raise as many issues in this regard as Iran. The State Department is working closely with foreign governments to get specific companies to stop selected activities, particularly in Iran's energy sector. Additionally, in more than one instance, federal courts have ruled that state legislation regarding social investment was unconstitutional on grounds that it overlapped with federal regulations.[62] Statements by officials at both Treasury and the State Department make clear their concern that a broad-based divestiture could disrupt the government's effort.

But even assuming that divestment is an effective mechanism to stop genocide and reduce terror risk and that state legislatures and pension fund boards are the right place to make foreign policy, the issue remains whether pension funds are an appropriate vehicle for implementing that policy. The answer seems unquestionably "no." The decision-makers are not the people who will bear the brunt of any losses; rather they will accrue to future beneficiaries and/or taxpayers. In many instances, the environment surrounding public pension fund investing is politically charged and encouraging public pension fund trustees to take "their eyes off the prize" of the maximum return for any given level of risk is asking for trouble. And finally, boycotting companies doing business with particular countries is a slippery slope — today Sudan and Iran, tomorrow Saudi Arabia.

Endnotes

1 Actually, as early as 2000, many college endowments and public pension funds, including CalPERS, did not participate in the initial public offering of PetroChina, because of its involvement in oil extraction in Sudan. See Fried (2006).

2 Amnesty International (2007) and Hagan and Pallioni (2006).

3 U.S. Department of Treasury (2007).

4 The Federal Reserve Flow of Funds reports total assets for state and local pension plans of $2,701.5 billion in 2005.

5 The majority of funds (64 percent) use 5 or more screens; the remainder are divided between those with a single screen (25 percent) and those with 2-4 screens (11 percent).

6 Multi-employer plans have made a few efforts to stimulate demand for union labor, especially in the construction trades. And some health care companies and hospitals screen for tobacco. But generally very little social investment has taken place. The Social Investing Forum (SIF), however, has reported that nearly 10 percent, or $137 billion, of screened assets are in corporate defined benefit plans. It was impossible for the author to ferret out where this money was. The only corporation mentioned by SIF was the Federal Home Loan and Mortgage Corporation (Freddie Mac). Since Freddie Mac invests most of its money in home mortgages, it is not clear how it is involved in social screening. In a personal communication, SIF's Joshua Humphreys said that there are other corporations that are not included on the list, but SIF refused to give out any additional names.

7 ERISA requires a fiduciary to act "solely in the interests of the [plan] participants and beneficiaries... for the exclusive purpose" of providing benefits to them. A fiduciary must also act "with the care, skill, prudence, and diligence" of the traditional "prudent man." See Langbein, Stabile, and Wolk (2006).

8 Lanoff (1980).

9 U.S Department of Labor (1994).

10 Some companies offer their employees one or more mutual fund options that pursue social investing criteria. Such an option does not raise any fiduciary concerns because the decision is left entirely to the participant.

11 The New Jersey legislation requires its pension funds to divest holdings in businesses that have equity stakes in the Sudan. A similar bill in Illinois, enacted in June 2005, provides that a fiduciary should not transact any business with a company doing business with Sudan, although in February 2007 the Federal District Court for the Northern District of Illinois ruled this act unconstitutional. Oregon also passed such a law for its public pension funds, while Louisiana legislation permits, but does not require, divestiture of investments linked to the Sudan.

12 U.S. Department of State (2007a). In 1997, President Clinton issued an executive order barring companies from conducting business in the Sudan; foreign businesses do not fall under that restriction.

13 For example, Texas legislation, signed into law on June 15, 2007, will require both the Teacher Retirement System and the Texas Employees Retirement System to ask affected companies to cease business in Sudan and to divest shares of unresponsive companies. The Hawaiian Employees' Retirement System was required to divest from Sudan-related investments when legislation went into effect July 1st. In Connecticut, legislation enables the Treasurer to divest state funds invested in companies doing business in Sudan or decide against further or future investments. Nineteen other states have pending divestment legislation or are taking other actions towards divestment. For example, the New York State Comptroller adopted a targeted Sudan divestment policy for the New York State Common Retirement Fund.

14 Fried (2006).

15 A KLD employee told us that KLD sells their compliance list to institutional money managers who are interested in social divestment and that it is not in the company's best interest to allow outside organizations to obtain their list in whole or in part. KLD also would not provide information about the American companies on the list. This information was obtained through a personal communication with KLD's Randy O'Neill.

16 Fried (2006). In a personal communication, 3M's Jacqueline Berry also confirmed the sale of the Security Film to the United Nations.

17 Fried (2006) and a personal communication with Northern Trust's Priya Khetarpal.

18 Pichardo (2007).

19 The U.S. House Financial Services Committee on May 23, 2007 passed legislation that would protect public pension funds and their money managers from litigation in response to Iranian divestiture.

20 King (2007).

21 The new law requires the State's Board of Administration to contact companies with business ties to Sudan and with energy ties in Iran, asking them to stop such activities; unresponsive companies would have to be divested 90 days after the communication. See Pensions and Investments (2007a).

22 *Pensions and Investments* (2007b).

23 The California legislation, which was proposed in January and as of July is still in committee in the state senate, would force two of the nation's largest pension funds — for the state's public employees and teachers, with combined holdings of $400 billion — to remove their money from any foreign company doing business with Iran. See Abdollah (2007).

24 Pichardo (2007).

25 See Pichardo (2007); and also confirmed by a personal communication with SSgA's Gary Conway. Also, according to Northern Trust Global Investments, companies doing business in Iran comprise about 25 percent of the MSCI EAFE index, compared to about 15 percent with ties to Sudan.

26 When narrowed, the number of companies involved declines from 100-125 to the 19-25 range. In California, for example, CalPERS would have to divest $8 billion if a bill introduced by Joel Anderson is passed. If narrowed to companies only with energy interests in Iran, the divestiture requirement drops to $2 billion. See Pichardo (2007).

27 LaFranchi (2007).

28 See U.S. Department of Treasury (2007); U.S. Department of State (2007b); and McKinley (2007).

29 Karmin (2007).

30 See Frick (2007).

31 For a summary of the literature on testing the extent to which the supply curve is elastic, see Munnell and Sundén (2005).

32 The caveat is, of course, that potential buyers must not think the sale (purchase) reflects a negative (positive) assessment of the firm's financial condition or business prospects that could affect future cash flows. If potential purchasers believe that the seller is disposing of the stock because he knows something adverse they do not, they will revise down their assessment of the stock's value, and the transaction will reduce the price of the stock.

33 Apparently the Vice Fund has grown at 20 percent annually since its inception, outpacing the S&P's growth of 16 percent. At first blush, these results appear to contradict the conclusion that screening has no impact, but the period under consideration is far too short for these numbers to have meaningful implications. See Authers (2007).

34 Teoh, Welch, and Wazzan (1999).

35 During the 1970s, as opposition against the apartheid government increased, social activists charged that companies investing in South Africa indirectly supported the government and its discrimination policies. In an initial effort to resolve the conflict, the Reverend Leon Sullivan in 1977 introduced a set of guidelines for companies doing business in South Africa, the so-called "Sullivan Principles." By 1987, 127 U.S. companies had signed on to the Sullivan principles (Auerbach, 1987).

36 For example, CalPERS divested itself of $9.5 billion worth of shares of companies holding a South African subsidiary. Pressure to divest and a worsening economic and political environment in South Africa led many companies (IBM, Exxon, Ford, GM and Chrysler) to sell their holdings. See Teoh, Welch, and Wazzan (1999).

37 An asset can be characterized by its expected return and the risk associated with that return, measured by the variance in returns. The risk of a specific asset can be broken down into two parts: risks that are unique to that stock (firm risk) and risks that stem from market-wide variations such as business cycle variation, inflation, and interest rate fluctuations

(market risk). When assets are combined in a portfolio, the return on the overall portfolio is given by the average return of the assets. And the risk associated with the portfolio is determined by the variance of the individual returns and the degree to which the individual returns vary together (covariance). Thus, by combining assets into a portfolio that have differing risk characteristics, an investor can create an efficient portfolio — a portfolio that is expected to achieve a given level of expected returns while minimizing risk.

38 Assume an investor plans to divide his money among *n* stocks selected from the entire market portfolio. The portfolio variance is given by:

$$\text{Portfolio variance} = 1/n * \text{average variance} + (1 - 1/n) * \text{average covariance}$$

As the number of securities in the portfolio increases, the contribution to total risk from the individual firm-specific risk decreases and the contribution from how the risks vary in relation to each other (covariance) increases. Thus, as the number of securities increases, the overall portfolio variance approaches the economy-wide risk, represented by the second term in the equation. With 2 stocks in the portfolio, half of the overall variance is due to firm specific risk and half to market risk. By the time a portfolio contains 10 securities, 90 percent of the portfolio's variance should be determined by the market risk. With a 20 stock portfolio, 95 percent of the variance should be determined by the overall market risk. See Brearley and Myers (1988).

39 Rudd (1981) and Grossman and Sharpe (1986) argue that the investor will not be able to exactly duplicate the market portfolio, because the screened portfolio will have relatively greater covariation in returns. Rudd also argued that social investing will introduce size and other biases into the portfolio, which will lead to a deterioration in long-run performance.

40 Guerard (1997); Hamilton, Jo, and Statman (1993); Statman (2000); Bauer, Koedijk, and Otten (2002); Dhrymes (1998); and Bello (2005). A similar result has been found for bond portfolios (D'Antonio, Johnsen and Hutton, 1997).

41 DiBartolomeo (2000). In the late 1980s and early 1990s, tobacco stocks performed slightly better than the S&P 500 but during the second half of the 1990s the tobacco stocks underperformed the S&P 500 on a risk-adjusted basis (Social Investment Forum, 1999; and Ferrari, 2000). However, the overall effect of divesting tobacco stocks should be small because they only account for about 1 percent of the S&P 500.

42 Kurtz and DiBartolomeo (1996); DiBartolomeo and Kurtz (1999); DiBartolomeo (1996); and Bello (2005). Some critics of these results contend that the comparable returns reflect the fact that the screened funds invest a higher proportion of their assets in small cap stocks. Small caps have out-performed large caps over the period 1995 to 2007 by more than 3 percentage points (10.9 percent versus 7.8 percent). The discrepancy since the trough in the market in 2002 has been even greater (20.0 percent versus 11.0 percent). Bello (2005) contends, however, that the sizes of the companies in the screened and unscreened portfolios are very similar.

43 Malkiel (1991).

44 Grossman and Sharpe (1986).

45 Munnell and Sundén (2001).

46 Romano (1993).

47 Hickey (2000).

48 A recent study (Karolyi, 2007) of terror-free investing concluded that there were no significant differences in risk or return of stock portfolios screened on the basis of their operations in countries designated as state sponsors of terrorism and the S&P 500. This study, however, focused exclusively on U.S. markets, where very few firms do business in terror-linked countries. The author notes that "Broadening the analysis to incorporate a global investment strategy may render different results and conclusions."

49 Two books were instrumental to broadening the social investing debate — Rifkin and Barber (1978) and Litvak (1981).

50 Munnell (1983).

51 Schwimmer (1992); and Langbein, Stabile, and Wolk (2006).

52 White (1991).

53 In their initial forays into economically targeted investments, public pension fund managers generally

did not appear to recognize the "Catch-22" nature of the exercise. For the most part, the goals of increasing in-state housing investment and maximizing returns are inconsistent in the United States' highly developed capital markets. Any housing investment that offers a competitive return at an appropriate level of risk, such as a GNMA, does not need special consideration by public pension plans nor would such consideration increase the long-run supply of mortgage loans. Investments by pension funds that would increase the supply of housing funds must by definition either produce lower returns or involve greater risk. Sophisticated advocates of targeted investments recognized the efficiency of the market for housing finance and argued that pension funds could make a contribution through innovative forms of housing finance. But that was not what was going on in 1983; the in-state mortgages purchased by public pension funds tended to be conventional fixed-rate 30-year mortgages. See Munnell (1983).

54 McKinley (2007) and also confirmed by a personal communication with CalPERS' Brad Pacheco.

55 Mishra (2006).

56 King (2007).

57 Ohio Retirement Study Council (2007).

58 King (2007).

59 Walsh (2004).

60 The comment is from Julie Gorte, director of social research at Calvert Investments (Fried, 2006).

61 Authers (2007).

62 Stern (2007).

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The Center for Retirement Research thanks AARP, AIM Investments, CitiStreet, Fidelity Investments, John Hancock, Nationwide Mutual Insurance Company, Prudential Financial, Standard & Poor's, State Street, and TIAA-CREF Institute for support of this project.

The research reported herein was supported by the Center's Partnership Program. The findings and conclusions expressed are solely those of the author and do not represent the views or policy of the partners or the Center for Retirement Research at Boston College.