



## TEXAS HOUSE OF REPRESENTATIVES

*Ruth Jones McClendon*

STATE REPRESENTATIVE, DISTRICT 120

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★ **Media Advisory from the Office of Representative Ruth Jones McClendon** ★

**For Your Information**

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### **Representative McClendon Announces filing of House Bill 419 to Curtail Retirement System Investments in Republic of Sudan**

**Austin:** State Representative Ruth Jones McClendon (D-San Antonio) announces today's filing of legislation to prohibit public retirement funds from investing in disfavored companies conducting business in the Republic of Sudan, a central African nation.

Representative McClendon has filed HB 419, proposing that Texas adopt model legislation which would prevent public retirement funds, specifically the Employees Retirement System of Texas and Teacher Retirement System, from investing in disfavored companies (as defined in the Bill) which have business operations in Sudan. According to United Nations estimates, the three-year crisis in Sudan has resulted in more than 200,000 deaths, and more than 2 million have been driven from their homes. Investors in the United States have become increasingly more disturbed that companies which conduct business there and condone Sudan's practices.

Under HB 419, "disfavored companies" would include Sudanese businesses and other businesses which have demonstrated complicity in the crisis of genocide happening in the Darfur region in western Sudan. Potentially, oil, energy or power-related business activities or operations, and suppliers of weapons, arms, or military defense supplies in Sudan, would be considered as disfavored companies unless they undertake substantial action to counteract Sudan's genocide policies and practices. For example, substantial action taken by a company in relation to Sudan would include its boycotting the government of Sudan, curtailing business operations in Sudan, selling substantial assets or property located in Sudan, or engaging in significant humanitarian efforts in the eastern, southern or western regions of Sudan.

Representative McClendon stated, "I'm all in favor of our Texas public retirement fund officials investing funds from the Employees Retirement and Teacher Retirement systems in financially sound, private equity investments. As fiduciaries, however, Retirement Board members are responsible for making investments that preserve and protect the funds, and not speculating with retirement money. In good conscience, fiduciary investment of Texas public moneys should not incur financial gain from business operations which condone or promote the atrocities that have occurred in the Republic of Sudan."

**WHAT:** House Bill 419 to Prevent Certain Texas Retirement Fund Investments in Sudan  
**WHO:** Representative Ruth Jones McClendon  
**WHEN:** Thursday, December 28, 2006  
**WHERE:** 4N.4, Texas Capitol