

Oregon Human Rights and Anti-Genocide Act of 2005
Annual Report to the Legislative Assembly
January 15, 2010

State Treasurer Ben Westlund

EXECUTIVE SUMMARY

Background

The Oregon Legislative Assembly passed Senate Bill 1089 during the 2005 session, setting guidelines for divestiture from companies doing business in the Republic of Sudan. The bill was codified as the Oregon Human Rights and Anti-Genocide Act of 2005, ORS 293.811 to 293.817 (“the Act”). The investment funds subject to the Act are the Oregon Public Employees Retirement Fund, the State Accident Insurance Fund, the Common School Fund, the Oregon War Veterans Fund, and the Higher Education Endowment Fund.

Primary Provisions of the Act

- Requires OIC and the State Treasurer to act reasonably to try to ensure that funds are not invested in any company the Oregon Investment Council (OIC) knows is doing business in Sudan for as long as the Sudanese government’s campaign of human rights violations, atrocities or genocide continues.
- Requires any divestment to be accomplished without monetary loss to the funds.
- Requires the Treasurer to notify any company that investments will be withdrawn for as long as the company does business in Sudan and the atrocities continue.

Implementation of the Act

The State Treasurer’s staff gathered information from a variety of sources on the topic of fund divestiture from Sudan, and developed a policy outlining procedures for Oregon’s divestiture process. The OIC adopted the policy in December of 2005. The policy identified four specific companies meeting the criteria of the statute. In December of 2006, the OIC revised its policy to allow staff to engage a research service to develop a more comprehensive and ongoing list of companies potentially subject to divestiture under the Act.

The State’s external equity managers regularly contact target companies, and divest when prudent and when divestment can be achieved without monetary loss to the Funds. The Office of the State Treasurer works with a third party research firm to continually update the list of companies potentially subject to divestiture under Oregon law.

Conclusion

The State Treasurer’s staff continues to monitor and enforce the policy, in cooperation with the State’s external equity managers to meet the ongoing objectives of the law. Implementation of the statute has resulted in a net divestiture from Sudan-related companies of \$70 million in 2009 alone.