

“Good afternoon, Chairman Meek and members of the Committee on Finance and Revenue. My name is Cynthia Gilliam, I live in Beaverton, and I am representing the Portland Chapter of Jewish Voice for Peace. In addition I am a Public Employee Retirement System member, having worked 37 years in public education.

I speak in support of SB541 the Human Rights Investment Analysis bill which would require the Oregon State Treasury to adopt a human rights risk analysis policy. I remind the committee that the first section of this bill has been re-amended to reflect its original language but that the 2nd and 3rd section remain unchanged.

I want to give you an example of why there is a need for a human rights screening process for companies being considered for investment.

In 2019 the Oregon State Treasury committed \$233 million to the **Novalpina Capital Fund**, which had a 90 percent stake in the NSO Group, a spyware company. Reports of NSO Group’s involvement in human rights violations were published as early as 2016. A human rights screen would have exposed this.

The Public Broadcasting System’s recently aired a Frontline documentary on the NSO Group, detailing how its Pegasus spyware is used to spy on journalists, activists, and political dissidents. This is the same Pegasus spyware used in connection the murder of Saudi-American journalist Jamal Kashoggi

U.S. Senator Ron Wyden told Frontline, that the NSO Group was selling spyware “to tyrants.” The Biden administration accused the NSO Group of engaging in “transnational repression” and threatening U.S. national security.

Equally as serious as the Novalpina Capital Fund investment, was the Treasury’s 2014 investment in Francisco Partners, another private equity firm that at the time had a 70 percent stake in NSO. Clearly, this raises the question of whether Treasury was familiar with the spyware industry and its human rights implications. These investments are examples of a clear failure to apply due diligence by the Treasury.

If the Treasury was using a human rights screen for its investments, these investment would not have happened. *Environmental, social and governance (ESG) is a term used to represent an organization's corporate financial interests*

that focus mainly on sustainable and ethical impacts. Capital markets use ESG to evaluate organizations and determine future financial performance.

Now Oregon pensioners like me are faced with the prospect of financial loss of funds invested in a company that has been blacklisted by the U.S. Commerce Department.

The Oregon Treasury has a fiscal responsibility to ensure the best possible return on its investments but only within the framework of the law and social responsibility, which includes human rights.

There is clearly a need for a human rights screen on companies being considered for investment. SB541 provides the opportunity for this to become a prominent and well-monitored, fully transparent commitment enshrined in state law. Oregon's public employee pensioners, like me, have a right to know how their pension fund is being invested.

Thank you.