



Treasurer Shawn T. Wooden

TESTIMONY SUBMITTED TO THE GOVERNMENT ADMINISTRATION
AND ELECTIONS COMMITTEE
FEBRUARY 15, 2019

Senators Flexer, Representative Fox, and members of the Government Administration and Elections Committee, thank you for the opportunity to offer testimony concerning House Bill 7084, ***An Act Concerning the Divestment of State Funds Invested in Companies Doing Business in Venezuela.***

This legislation would, if enacted, authorize the Treasurer to divest, decide not to invest further, or not enter into any future investment, in any company doing business in Venezuela. The bill details the factors that the Treasurer shall consider, such as whether a company: pays revenues directly to the government of Venezuela; is invested or directly involved in the development of Venezuela's petroleum resources; or is involved in any other business activity that has been made the subject of economic sanctions imposed by the United States government.

This legislation mirrors similar provisions in Connecticut statute that support the Treasurer's discretion to divest, such as companies doing business in Sudan (where we decline to invest in companies that abet the perpetuation of state-sponsored genocide); Northern Ireland (for those companies refusing to adopt the MacBride Principles and prohibit religious discrimination in the workplace); and Iran (where we refrain from companies that support a state sponsor of terror).

While the office of the Treasurer has been able to successfully implement these policies, codifying this proposed investment restriction presents a significant challenge for monitoring the objectionable Venezuelan behavior. Furthermore, it creates an administrative burden and prevents the flexibility required to respond to market trends. The Connecticut Retirement Plans and Trust Funds have investments in Venezuelan bonds valued at \$23.3 million, as well as \$3.0 million worth of fixed income securities of CITGO, a U.S. company domiciled in Venezuela. Implementing a policy of divestment in Venezuela would restrict our flexibility in decision making and consume valuable resources. As such, I urge the committee to vote no on H.B. 7084 and I look forward to working with the committee to ensure the state makes investments that are fiscally sound as well as socially responsible.