

## State of Sandy Hook shooting takes steps to divest from guns

By SUSAN HAIGH | December 3, 2019

HARTFORD, Conn. (AP) — Connecticut’s treasurer, who oversees \$37 billion in public pension funds, announced plans Tuesday to reallocate \$30 million worth of shares in civilian firearm manufacturer securities while banning similar future investments and creating incentives for banks and financial institutions to enact gun-related policies.

If ultimately approved by an advisory board, it will mark the first time Connecticut has taken the step of divesting shares in firearm-related companies since the 2012 Sandy Hook Elementary School shooting in Newtown, which left 20 small children and six educators dead.

Treasurer Shawn Wooden’s predecessor had attempted to influence the practices of such manufacturers, an approach Wooden noted hasn’t stopped gun violence.

“I believe divestment should be a tool of last resort, and I support engagement and engaged ownership as a shareholder. The sad truth is, even working with other institutional investors throughout the country, engagement on this issue has not worked,” he said in an interview. “The cost, the economic cost, the social cost of gun violence is very, very significant. And the time is now because we don’t have greater action in Washington on this issue.”

Connecticut pension funds are currently invested in five of 17 companies identified by an independent index as producers of guns and ammunition.

The proposal comes as the U.S. Supreme Court turns to gun rights for the first time in nearly a decade, hearing arguments Monday related to a dispute over now-defunct New York City restrictions on taking licensed, locked and unloaded guns outside city limits.

The high court could sidestep the issue or possibly expand gun rights.

Wooden contends the intent of his plan, which was released first to The Associated Press, is not to put gun manufacturers out of business. The Democrat, who lost a cousin to gun violence, said he supports “responsible” gun manufacturing and gun usage but argues that it is his job to reduce risk to the state’s pension funds and that “guns have been an incredibly risky proposition.”

Last month, the Connecticut State Supreme Court said a survivor and relatives of victims of the Sandy Hook shooting could pursue their lawsuit against Remington Arms, the maker of the rifle used by the shooter. The company has argued it should be shielded by a 2005 federal law preventing most lawsuits against firearms manufacturers when their products are used in crimes.

Wooden also hopes to influence the financial services and gun industries.

His plan would continue to allow state pension funds to be invested in companies involved in “smart gun” technology. It also would require banks and investment companies to describe their gun policies in any responses to requests for proposals from the Connecticut treasurer’s office. Those policies will be considered, among other factors, when business is awarded.

Wooden announced Tuesday that Citigroup will be the senior underwriter on Connecticut’s upcoming issuance of \$890 million in general obligation bonds.

Under a 2018 policy, Citigroup is requiring its clients and business customers not to sell a firearm to anyone who hasn’t passed a background check or anyone under age 21. It is also not allowing customers to sell what are known as bump stocks and high-capacity magazines.

U.S. Sen. John Kennedy, a Louisiana Republican, sharply criticized Citigroup for the move at the time, accusing the bank of “threatening law-abiding business owners for exercising their Second Amendment rights.”

The National Rifle Association has also accused “America’s financial elite” of wanting to “create a world in which America’s public policy decisions emanate from corporate boardrooms in Manhattan rather than from citizens and their elected officials.”

Connecticut is not alone in trying to use the power of the purse to influence the gun violence debate.

In 2018, the \$222.5 billion California State Teachers’ Retirement System voted to use its financial might to pressure gun retailers to stop selling military-style assault weapons and accessories. Critics accused the board of setting a dangerous precedent.