

MAR 14 2007

SENATE CONCURRENT RESOLUTION

REQUESTING THE EMPLOYEES' RETIREMENT SYSTEM TO REFRAIN OR DIVEST FROM PARTICIPATION IN OWNERSHIP OR CAPITAL-PROVIDING CAPACITY WITH ENTITIES THAT PROVIDE SIGNIFICANT PRACTICAL SUPPORT FOR GENOCIDE.

1 WHEREAS, on July 23, 2004, the United States Congress
2 declared that "atrocities unfolding in Darfur, Sudan, are
3 genocide"; and
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5 WHEREAS, on September 9, 2004, Secretary of State Colin L.
6 Powell told the United States Senate Foreign Relations Committee
7 that "genocide has occurred and may still be occurring in
8 Darfur" and "the Government of Sudan and Janjaweed bear
9 responsibility"; and
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11 WHEREAS, on September 21, 2004, addressing the United
12 Nations General Assembly, President George W. Bush affirmed the
13 Secretary of State's findings and stated, "at this hour, the
14 world is witnessing terrible suffering and horrible crimes in
15 the Darfur region of Sudan, crimes my government has concluded
16 are genocide"; and
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18 WHEREAS, on December 7, 2004, the United States Congress
19 noted that the genocidal policy in Darfur has led to reports of
20 "systematic rape of thousands of women and girls, the abduction
21 of women and children, and the destruction of hundreds of
22 ethnically African villages, including the poisoning of their
23 wells and the plunder of their crops and cattle upon which the
24 people of such villages sustain themselves"; and
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26 WHEREAS, the United States Congress also found that "the
27 Government of Sudan has restricted access by humanitarian and
28 human rights workers to the Darfur area through intimidation by
29 military and security forces, and through bureaucratic and
30 administrative obstruction, in an attempt to inflict the most
31 devastating harm on those individuals displaced from their



1 villages and homes without any means of sustenance and shelter";
2 and

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4 WHEREAS, on September 25, 2006, the United States Congress
5 reaffirmed that "the genocide unfolding in the Darfur region of
6 Sudan is characterized by acts of terrorism and atrocities
7 directed against civilians, including mass murder, rape, and
8 sexual violence committed by the Janjaweed and associated
9 militias with the complicity and support of the National
10 Congress Party-led faction of the Government of Sudan"; and

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12 WHEREAS, on September 26, 2006, the United States House of
13 Representatives stated that "an estimated 300,000 to 400,000
14 people have been killed by the Government of Sudan and its
15 Janjaweed allies since the [Darfur] crisis began in 2003, more
16 than 2,000,000 people have been displaced from their homes, and
17 more than 250,000 people from Darfur remain in refugee camps in
18 Chad"; and

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20 WHEREAS, the Darfur crisis represents the first time the
21 United States government has labeled ongoing atrocities a
22 genocide, imposing sanctions against the government of Sudan
23 since 1997; and

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25 WHEREAS, since 1993, the United States Secretary of State
26 has determined that the government of Sudan has repeatedly
27 provided support for acts of international terrorism, thereby
28 restricting United States assistance, defense exports and sales,
29 and financial and other transactions with the government of
30 Sudan; and

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32 WHEREAS, according to the former Chair of the United States
33 Securities and Exchange Commission, "the fact that a foreign
34 company is doing material business with a country, government,
35 or entity on [the United States Treasury Department's Office of
36 Foreign Assets Control's] sanctions list is, in the SEC staff's
37 view, substantially likely to be significant to a reasonable
38 investor's decision about whether to invest in a company"; and

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40 WHEREAS, a 2006 United States House of Representatives
41 report states that "a company's association with sponsors of
42 terrorism and human rights abuses, no matter how large or small,
43 can have a materially adverse result on a public company's



1 operations, financial condition, earnings, and stock prices, all
2 of which can negatively affect the value of an investment"; and

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4 WHEREAS, in response to the financial risk posed by
5 investment companies doing business with a terrorist-sponsoring
6 state, the Securities and Exchange Commission established its
7 Office of Global Security Risk to provide for enhanced
8 disclosure of material information regarding such companies; and

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10 WHEREAS, the current Sudan divestment movement encompasses
11 nearly one hundred universities, cities, states, and private
12 pension plans, with companies facing widespread divestment
13 presenting further material risk to remaining investors; and

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15 WHEREAS, it is the responsibility of the State to decide
16 where, how, and by whom financial resources in its control
17 should be invested, taking into account numerous pertinent
18 factors; and

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20 WHEREAS, it is the desire of the Legislature, with respect
21 to investment resources in its control and to the extent
22 reasonable, with due consideration for, among other things,
23 return on investment, on behalf of itself and its investment
24 beneficiaries not to support businesses, governments, or
25 counties that support the practice of genocide; and

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27 WHEREAS, the divestment of public funds from certain
28 companies is a measure that should be employed sparingly and
29 judiciously, and a congressional and presidential declaration of
30 genocide satisfies this high threshold; now, therefore,

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32 BE IT RESOLVED by the Senate of the Twenty-fourth
33 Legislature of the State of Hawaii, Regular Session of 2007, the
34 House of Representatives concurring, that the Employees'
35 Retirement System is requested to refrain or divest from
36 participation in ownership or capital-providing capacity with
37 entities that provide significant practical support for
38 genocide, including certain non-United States companies
39 presently doing business in Sudan; and

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41 BE IT FURTHER RESOLVED that this policy should remain in
42 effect insofar as it continues to be consistent with, and does
43 not unduly interfere with, the foreign policy of the United
44 States as determined by the Federal Government; and



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2 BE IT FURTHER RESOLVED that certified copies of this
3 Concurrent Resolution be transmitted to the Board of Trustees of
4 the Employees' Retirement System and the Administrator of the
5 Employees' Retirement System.

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OFFERED BY: *Annine J. Promye*

