

Submitter: Courtney Childs

On Behalf Of:

Committee: Senate Committee On Finance and Revenue

Measure: SB541

To Members of the Senate Committee on Finance and Revenue:

My name is Courtney Childs; I'm retired and live in Corvallis, Oregon. I am writing in regards to Senate Bill 541, which directs the Oregon Investment Council to develop, publish and implement a policy to incorporate human rights analyses into their investment decisions.

In 2019, the Oregon State Treasury, with oversight by the Oregon Investment Council, committed \$233 million from the Public Employee Retirement System (PERS) to a private equity firm that held a 90 percent controlling stake in the Israeli spyware firm, NSO Group. By that time, NSO Group was already known internationally to be involved in gross human rights violations, because their Pegasus spyware has been used by numerous authoritarian governments to surveil and arrest activists, journalists, and union members. Reportedly the Treasury staff encouraged acquisition of NSO Group even when human rights issues concerning the company were widely known.

The U.S. Commerce Department blacklisted NSO Group, forbidding U.S. technology companies from working with it due to its role in “transnational repression” and the threat it poses to U.S. national security interests. The company also faces major lawsuits brought against it by Apple Inc, Meta and Microsoft Corporation. Moody’s downgraded NSO eight levels below investment grade, citing low revenue, ongoing lawsuits against the company, and severe risk of default. Since then, the value of NSO Group spiraled, and the company is reportedly on the verge of bankruptcy.

Because the Treasury and OIC did not account for the human rights risk when making and advocating for investments, Oregon ended up with a \$233 million stake in an extremely poor investment fund. Therefore I fully support Senator Janeen Sollman's bill, SB 541, to require that the Treasury adopt a human rights risk analysis policy.

Passage of SB 541 is needed, because the Treasury obviously failed to do due diligence and jeopardized the return on the performance of the public employee pension fund. By requiring that the Treasury make a human rights assessment for all future investments and publicly disclose those investments, SB 541 will help ensure that failed investments like the one in the NSO Group never happen again.

Thank you. Sincerely,

Courtney Childs
Corvallis, OR