

Submitter: Jacqueline Salzinger  
On Behalf Of:  
Committee: Senate Committee On Finance and Revenue  
Measure: SB541

I urge that this bill be moved forward for sake of Oregon retirees and out of deep concern for systematized human rights violations. Serious red flags have been raised about the representation of Oregonians' interests—present and future—in state investment decisions and the apparent lack of due diligence in management of state funds. In 2019, \$233 million was committed by the Treasury to Novalpina Capital Fund, which has a controlling 90% stake in NSO Group, an Israeli spyware company. Since 2016, and with increasing frequency and clarity thereafter, independent international investigations have reported that the NSO Group's spyware product has been used by authoritarian governments to undermine democracy and human rights. The people targeted by this state-sponsored surveillance have included peaceful political dissidents, human rights activists, union members, and journalists, among perhaps countless unknown others. Identified victims of this spyware have even been detained or murdered in dubious circumstances, such as political dissident Jamal Khashoggi, who was murdered by the Saudi state in 2018. Khashoggi's wife's and fiancée's phones were shown by forensic analysis to have been bugged by Pegasus spyware, which gave the spying entity full, unadulterated access to their mobile devices. NSO Group, an Israeli company, is also backed by and closely supporting the apartheid Israeli state, which uses these products in violation of international law. The company's very founders emerged from the Israeli military spy unit, Unit 8200, that is known to repeatedly violate the rights of Palestinians, in part through despicable personalized blackmail against political dissidents. Right now, undoubtedly, NSO Group's technology is being used by the right-wing Israeli state to undermine the movement for Palestinian human rights and liberation.

All this is well-known, proven, and documented, so much so that the Biden Administration has blacklisted this company federally. Senator Wyden and Oregon's unions, including AFL-CIO and AFSCME, have clearly and directly called for the state to disinvest from the NSO Group. Given that these unions represent the interests of Oregon pensioners, their voices on this issue in particular should be heeded.

Continued investment in NSO Group is a bad investment for Oregonians, on every available metric. Human rights violations are reason enough for the state to disinvest, but we can also acknowledge that any investments in companies with open lawsuits against them by major firms such as Facebook, Apple, and Microsoft and blacklisted status by the U.S. Commerce Department due to concerns over national security are in and of themselves a bad investment decision. Moody's credit agency recently downgraded the company, labeling it at "severe risk" of defaulting on half a billion in debt. The OR PERS Fund now stands to lose millions due to the state treasury not

heeding the warning signs that this company could go bankrupt in light of significant worldwide blacklisting, lawsuits, and overall backlash.

To my knowledge, Oregon first invested in NSO Group (via Francisco Partners) back in 2014. So for over eight years now, the Oregon State Treasury has invested in the unregulated and gravely unethical global spyware industry. Did the officials responsible for state investments in Salem pay attention to the rise in global reporting on their investees' human rights abuses? Did they at all monitor the global cries against this unregulated product and industry? Oregon needs a process in which screening companies for human rights violations becomes a well-monitored, fully transparent commitment enshrined in state law, and the results of such screenings need to be reflected in the actual investment of Oregon public funds. Our state's public employee pensioners have a right to know how their pension fund is being invested. Oregon must disinvest from NSO Group, and failed investments like this should never happen again.