

## Testimony on SB 2601

Thank you, Chair Graybar and Vice Chairs Tran and Lewis. My name is Cynthia Gilliam and I live in Beaverton. I am here to tell you why it is important that you support SB2601.

I was a public employee for over 37 years and for over 444 months I contributed hundreds of dollars of my salary to the Public Employee Retirement System. As a young professional, I did not really think about how I was trusting this money to a faceless government entity, but not surprisingly, as I got closer to retirement age, I became more interested in how my retirement funds were being used. I learned that the Oregon Investment Council and the Oregon State Treasurer had authority to invest my money, and that they were required to invest it for the best returns possible. At first, I felt great about that. I felt that my retirement pension was secure.

Then I learned about a bad investment made by the OIC. In 2019 the Oregon State Treasury committed \$233 million to the Novalpina Capital Fund, which has a 90% stake in the NSO Group, a spyware company. Reports of NSO Group's involvement in human rights violations were published as early as 2016. International reporting warned that this investment was under sanction because of extreme human rights abuses. There was an apparent lack of judgment on the part of the OIC, as to both the financial consequences and reputational cost of this investment. This stock is essentially worthless now. This is an illustration of Treasury's inadequate investment screening. The simplest of screening systems would have exposed this. We need an investment strategy that includes an examination of human rights abuses which create a negative economic impact, legal exposure and reputational damage.

PERS members, want to be sure their money is invested wisely. Good returns on investments is certainly important. However, as intelligent, morally responsible and future-oriented people, we can do better.

Perhaps it is not a reasonable comparison, but I want to share with you what happened to my investments when I directed my financial planner to divest my funds from any fossil fuels, arms, alcohol, and tobacco money. The return on my money has not suffered. There are many way to invest. We must choose to invest in ways that demonstrate our responsibility to the health of our state and to the Oregon I leave to my grandchildren.