DEPARTMENT OF AUDITS AND ACCOUNTS

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The Honorable Judson Hill
State Senator
Coverdell Legislative Office Building, Room 325-A
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification
Senate Bill (LC 21 9702)

Dear Senator Hill:

This bill would amend provisions relating to the Public Retirement Systems Investment Authority Law. Specifically, this bill would prohibit "large retirement systems" from investing public employee funds in companies with certain business interests in the Republic of the Sudan and the Islamic Republic of Iran. This bill would primarily prohibit the investment in companies that supply military equipment within the borders of Sudan or Iran and to companies that have made a substantial investment in energy, telecommunications, petroleum, or chemical industries within the borders of Sudan and Iran. This bill would also require the boards of each "large retirement system" to file a report with the General Assembly that lists investments in companies with such business operations in Sudan and Iran. This report will be due to the General Assembly on or before January 1, 2010, and every year thereafter. It should be noted that this bill does not prohibit the investment in a company whose sole enterprise with Sudan or Iran is related to food or beverage or the provision of humanitarian aid.

This is to certify that this is a nonfiscal retirement bill as defined in the Public Retirement Systems Standards Law.

Respectfully,

/s/ Russell W. Hinton
State Auditor