



## **DEPARTMENT OF AUDITS AND ACCOUNTS**

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The Honorable Bill Heath, Chairman  
Senate Retirement Committee  
State Capitol, Room 109  
Atlanta, Georgia 30334

SUBJECT: State Auditor's Certification  
Amendment to SB 451(LC 28 3980)  
As Amended (AM 21 3567)

Dear Chairman Heath:

As amended, this bill would create the "Protecting Georgia's Investments Act." Specifically, this bill would provide that public funds be required to identify all 'scrutinized companies' in which the public fund has direct or indirect holdings. This legislation defines 'scrutinized companies' as any company that has, with actual knowledge, on or after August 5, 1996, made an investment of \$20 million or more in Iran's petroleum sector which directly or significantly contributes to the enhancement of Iran's ability to develop the petroleum resources of Iran.

This legislation would require public funds to identify these scrutinized companies by October 1, 2008 and update their listing of these companies annually. Under this proposed amendment, provisions would be added to specify that neither employees of a retirement system nor the retirement system shall be liable for a good faith omission in identifying scrutinized companies.

This bill also outlines the procedures that must be followed by public funds with direct holdings in any 'scrutinized companies.' These procedures include notifying companies of

their status, encouraging the companies to cease such activities, and divesting securities in such companies under certain circumstances. This bill provides for certain exclusions and provides for the termination of these prohibitions if certain Federal action occurs.

This is to certify that this amendment (AM 21 3567) is a nonfiscal amendment as defined in the Public Retirement Systems Standards Law.

Respectfully,

/s/ Russell W. Hinton  
State Auditor

RWH/cs