



Dozens of local organizations tell Portland City Council it's time to stop investing taxpayer dollars in private-prison profiteers

DIRTY MONEY

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In the wake of a presidential election that spurred an overnight upsurge in private prison stock value, Portland City Council is being asked to rid the city's investment portfolio of financial institutions that profit from private prisons.

The timing is purely coincidental.

The opportunity comes in the form of a list of recommendations submitted to City Council in late September from the city's Socially Responsible Investments Committee.

It's asking council to add nine companies to the city's Corporate Securities Do-Not-Buy List, and four of them are major financial supporters of private prisons — Wells Fargo, Bank of New York Mellon Corp., JPMorgan Chase Bank N.A. and HSBC Bank USA.

Since the release of the list, a broad coalition of two dozen unions, civil rights organizations, churches and other local community groups, calling itself the Portland Prison Divestment Coalition, is pushing City Council to approve the committee's recommendations.

Specifically, the coalition wants the city to divest from the Wall Street banks known to

bankroll the private prison industry and Caterpillar, which manufactures equipment custom designed to bulldoze Palestinians' homes and is a key contractor in the construction of the Dakota Access Pipeline.

While the city sold its remaining HSBC holdings in January 2015 and owns no Caterpillar stock, it currently owns shares worth \$96.3 million in the other three banks, representing 7.2 percent of its total investment portfolio, which as of Sept. 30 was worth \$1.3 billion.

The committee estimated that potential losses in revenue from investments in these three banks, if no equivalently yielding investments are found, could be between \$4 million and \$5.1 million over a three-year term.

City Council has set aside three hours for public testimony on the committee's proposed recommendations from 2 p.m. to 5 p.m. during its Nov. 30 meeting and is expected to vote on what companies it will add to the Do-Not-Buy list on Dec. 7.

The list is currently occupied only by Wal-Mart.

The seven-member advisory committee, championed by Commissioner Steve Novick in 2014, also named Amazon.com, Nestlé Holdings, Credit Suisse and Société

Générale among the "the worst of the worst" corporate issuers eligible for city investments on its first and long-awaited list of recommendations. Of those, the city is invested only in Credit Suisse, with \$16.9 million in holdings.

The Socially Responsible Investments Committee is charged with identifying corporate issuers that don't align with pre-established values and ethics.

Among reasons for blacklisting the nine corporate issuers listed, the committee noted multiple examples of fraud, worker abuses, corruption and tax evasion among the companies.

It was concerned about Nestlé's possible connection to "serious child labor abuses including forced child labor in the cocoa supply chain," Credit Suisse's criminal activity and alleged funding of terrorism, and Amazon.com's questionable labor practices, investigations into tax evasion in the U.K. and France, and concerns about corrupt corporate ethics.

The banks listed not only fund private prisons but profited from the subprime mortgage crisis that led to the Great Recession, and they have other concerning

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