



NEWS

From the Office of the New York State Comptroller
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New York State Pension Fund Reaches Agreement with Three California Companies on Political Spending Disclosure

New York State Comptroller Thomas P. DiNapoli today announced agreements with three California companies, Pacific Gas and Electric (PG&E), Safeway and Sempra Energy, mandating the disclosure of political spending made with corporate funds. The agreement with PG&E also includes a ground-breaking provision to provide further disclosures of the company's policies and procedures regarding political lobbying activities.

"These agreements are a victory for shareholders and another step forward for transparency and accountability in the wake of the Citizens United decision," DiNapoli said. "I am proud that the New York State Common Retirement Fund is in the vanguard of the movement to ensure that companies are acting with the best interests of shareholders in mind when they engage in political action. It is my hope that other companies will follow these companies' leads by agreeing to fully disclose their political spending activities."

In 2010, DiNapoli, along with partners at the Council of Institutional Investors, wrote to 430 S&P 500 companies asking them to disclose their political spending made with corporate funds. In 2011, the Fund filed eight resolutions with companies that did not respond to the letter from the Council of Institutional Investors asking for full disclosure of political spending. Of the eight companies, the Fund reached agreement with Marriott International, Yum Brands and Limited Brands, and five others went to shareholder votes.

The agreements announced today are the first results of DiNapoli's 2012 shareholder efforts on behalf of the Fund. DiNapoli has stepped up his efforts by filing 17 shareholder resolutions with non-responding companies. The Fund is engaging in dialogue with these companies to promote full disclosure of direct and indirect political spending, contributions to independent committees as well as payments to trade associations which are used for political purposes. In addition, these agreements commit the companies to describe their decision-making process for political spending and what oversight was provided by the management and board in that process.

As of February 10, 2012, the Fund holds 1,430,024 shares of PG&E worth \$59,045,690, 2,499,912 shares of Safeway worth \$54,348,086 and 1,057,425 shares of Sempra Energy worth \$50,801,937.

These engagements were made in response to the 2010 Citizens United decision by the Supreme Court which ruled that political spending is a form of protected speech under the First Amendment to the Constitution. DiNapoli has worked alongside the Center for Political Accountability and is a founding member of the national Coalition for Accountability in Political Spending. Both groups have advocated for full disclosure of corporate involvement in elections in the aftermath of the Supreme Court's ruling.

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