

United States Senate

WASHINGTON, DC 20510

October 22, 2019

Honorable Michael Kennedy
Chairman
Federal Retirement Thrift Investment Board
77 K Street NE
Washington, D.C. 20002

Dear Chairman Kennedy:

We write in advance of the Federal Retirement Thrift Investment Board's upcoming October 28, 2019 meeting to urge the reversal of the Board's previous decision to track the MSCI All Country World ex-U.S. Investable Market Index (ACWI ex-US IMI) fund for investments made in the Thrift Savings Plan (TSP)'s International Stock Fund (I Fund). As noted in previous correspondence, this decision would effectively invest the retirement savings of America's civil servants and military personnel in constituent companies of the ACWI ex-US IMI that assist in the Chinese government's military activities, espionage, and human rights abuses, as well as many other Chinese companies that lack basic financial transparency.

The constituent firms of MSCI ACWI ex-US IMI include military contractors to the People's Liberation Army, like the Aviation Industry Corporation of China and China Unicom, which supply military aircraft and telecommunications support to militarized artificial islands in the South China Sea. It also includes firms like Hangzhou Hikvision Digital Technology, which was recently added to the U.S. Department of Commerce's Entity List and produces surveillance equipment the Chinese government currently uses to oppress and detain approximately one million Uighur Muslims and other religious minorities, as well as ZTE Corporation, which was fined last year for violating U.S. sanctions law for business activity with Iran and North Korea and which Congress has enacted a law to prohibit the U.S. federal government from procuring.

Additionally, the basic financial hazards of investment in firms listed on Chinese exchanges are well documented. A recent accounting scandal involving one of China's biggest accounting firms, Ruihua Certified Public Accountants, highlights the extent of the irregularities in the financial markets to which federal employees may soon be exposed.

It is our responsibility to these public servants to ensure that the investment of their retirement savings does not undermine the American interests for which they serve.

We look forward to the Board's reversal of this decision.

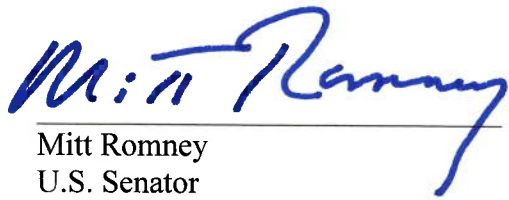
Sincerely,



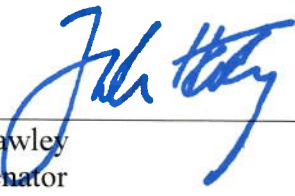
Marco Rubio
U.S. Senator




Jeanne Shaheen
U.S. Senator


Mitt Romney
U.S. Senator


Kirsten Gillibrand
U.S. Senator


Josh Hawley
U.S. Senator


Rick Scott
U.S. Senator