

UUA pressures Fidelity over Sudanese investments

President Sinkford calls for change of policy at UUA's fund manager; retirement plan holders urged to change funds.

By Jane Greer
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The Rev. William G. Sinkford, president of the Unitarian Universalist Association of Congregations, has urged Fidelity Investments to divest from companies doing business with the Sudanese government as a way to cut support for the genocide in Darfur.

"The UUA has worked with Fidelity investments for several years," Sinkford wrote to Edward C. Johnson, Fidelity's chair and chief executive officer, in a letter dated May 8, "but we cannot ignore even indirect participation in genocide as an acceptable cost of doing business." Sinkford requested a meeting with Johnson by June 7.

According to the advocacy group Fidelity Out of Sudan, Boston-based Fidelity has major investments in two Chinese oil companies, PetroChina and Sinopec. China, which is the world's fastest growing oil consumer, depends heavily on Sudanese oil, with revenues supporting the Sudanese government. The Sudanese government, which also receives arms from China, is supporting militias attempting to crush a rebellion in the Darfur region by killing all non-Arab Darfurians. The slaughter, which has left more than 200,000 dead and 2.5 million homeless, has been declared a genocide by U.S. President George W. Bush.

In a move that the company said was coincidental, Fidelity Investments announced on May 16 that it had divested 91 percent of its holdings in PetroChina on the New York Stock Exchange at the end of March. According to Fidelity spokesperson Anne Crowley, the sales were made by individual fund managers and were not part of a larger move to satisfy human rights activists.

"Fidelity doesn't tell fund managers how or when to buy or sell any given stock," she told the *Boston Globe*. According to the *Wall Street Journal*, share prices for PetroChina fell between January 1 and March 31, 2007.

While some activists are claiming the divestment as a victory, others advised caution until the full scope of the transaction is understood. Fidelity has held a significant number of shares in PetroChina traded on the Hong Kong stock exchange in addition to its shares traded on the New York Stock Exchange. "While questions remain about Fidelity's Hong Kong holdings—a matter Fidelity must publicly resolve—the company appears to be making a genuine effort to financially separate from PetroChina," said David Rubenstein, executive director of the Save Darfur Coalition, in the *Boston Globe*.



Militias in Darfur, sponsored by the Sudanese government, have killed hundreds of thousands of people and displaced many more. (SaveDarfur.org)

RELATED RESOURCES

Fidelity Investments.

Mutual fund and financial services company. (fidelity.com)

Drumbeat for Darfur.

UU Service Committee humanitarian aid and advocacy campaign. (UUSC.org)

End Crimes Against Humanity in Darfur.

Sudan. Resolution adopted by the UUA General Assembly in 2005. (UUA.org)

Save Darfur. Coalition of groups advocating for the end to genocide in Darfur. (SaveDarfur.org)

Save Darfur Now!

Resources from the UUA Washington Office for Advocacy. (UUA.org)

Fidelity Out of Sudan!

Advocacy group.

Divestment dilemma.

Op-ed column by Joan Vennoch, *Boston Globe* 5.10.07.

Fidelity says it did not divest for Darfur. By Ross Kerber, *Boston Globe* 5.17.07.

None of the UUA's endowment dollars are directly invested in any Fidelity fund. However, Fidelity Investments has managed the UUA's retirement plan for ministers and other employees since 1999, with assets exceeding \$176 million this year. One fund in the UUA's plan, the Fidelity Diversified International Fund, has holdings in Sinopec.

In a letter sent two weeks ago to 2,700 retirement plan participants, the Rev. Ralph Mero and Joyce Stewart of the UUA's Office of Church Staff Finances urged participants to consider moving their funds from the Fidelity Diversified International Fund into the Calvert World Values International Equity Fund, managed by Calvert Asset Management Company, or, starting May 21, the Fidelity Spartan International Index Fund. Neither fund has holdings in PetroChina or Sinopec.

"We're not advocating total divestment from the Sudan," said Mero, director of the Office of Church Staff Finances. "That would work a hardship on the people there. But we are advocating that people divest from companies supporting the government." The office began encouraging the divestment in February by sending out notices on the UU Ministers Association email list.

As of the end of February, UUA retirement plan participants had \$18,425,442 invested in its Fidelity Diversified International Fund. According to figures provided by Fidelity, \$1,474,549 was moved out of this fund in March and April. Stewart reported that their office had received more than 50 emails from plan subscribers announcing that they had moved their funds out of the Diversified International Fund.

The Office of Church Staff Finances has also advised retirement plan holders with money in one of the Fidelity Freedom Funds for 2010, 2020, 2030, and 2040 to consider transferring their money because these funds have trace holdings of the Fidelity Diversified International Fund.

The Unitarian Universalist Association itself had holdings in one company, Schlumberger, which had been identified by the Sudan Divestment Task Force as doing business with the Sudanese government. "We directed our fund manager to divest them last Friday," said Tim Brennan, the UUA's treasurer and vice president for finance. He said that the UUA has been following the Task Force's divestment recommendations, as have numerous institutional investors worldwide. The Task Force is a project of the Genocide Intervention Network.

The UUA General Assembly adopted a resolution demanding an end to crimes against humanity in Darfur in 2005. The Unitarian Universalist Service Committee, an independent human rights organization, has launched an ongoing campaign, Drumbeat for Darfur, to provide humanitarian aid to victims of the genocide and to lobby U.S. policy makers.

See sidebar for links to related resources.