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Financial Factors in Selecting Plan Investments

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General Comment

Please see attached file

Attachments

Letter to the DOL

<https://www.federalregister.gov/documents/2020/06/30/2020-13705/financial-factors-in-selecting-plan-investments>

It is surreal and breathtaking to realize that in about 100 days we as a nation will be voting to either continue our multi century experiment in self-governance or to elect a new socialistic or Marxist regime. It's that clear.

ESG investments, knowingly or unknowingly, are often part of a number of hidden agendas; some of which are being used to pull down capitalism and the constitutional republic (that protects against tyranny) and American ideals. Therefore, and for multiple reasons, a lot of ESG investments often should not be included in an ERISA plan, let alone be the QDIA option.

Evidences:

With regard to ESG investments to support the environment, liberal activist Michael Moore has produced a documentary entitled, Planet of the Humans, which concludes that Green Energy is a boondoggle. If a liberal is coming out and documenting that green energy doesn't work, how are ESG investments ever in the best interest for employees, outside of maybe some short-term gains?

Here's further evidence from a former climate alarmist that agendas to save the climate are not based on good science:

https://www.washingtontimes.com/news/2020/jul/1/michael-shellenberger-ex-alarmist-disputes-climate/?utm_campaign=shareaholic&utm_medium=email_this&utm_source=email

In addition, it has been reported that the Green New Deal isn't about saving the environment, it's about changing the economy. See the following article:

<https://www.nationalreview.com/news/aocs-chief-of-staff-admits-the-green-new-deal-is-not-about-climate-change/>

With regard to ESG investments to support racial justice, one of the, if not the biggest, benefactors is the Black Lives Matters Global Foundation (BLM). BLM is a Marxist agenda driven group with global aspirations to implement their preferred form of government, which is contrary to American ideals. This movement is contrary to our sovereign existence.

<https://nypost.com/2020/06/25/blm-co-founder-describes-herself-as-trained-marxist/>

In addition, after certain twists and turns with how they deal with donations and investments, eventually it funnels donations to the Democratic National Committee. BLM is a political funding operative. See the following:

<https://thefederalistpapers.org/us/financial-contributions-black-lives-matter-funneled-biden-campaign>

No wonder why so many democrats are pushing to protect ESG investments.

<https://www.pionline.com/regulation/senate-democrats-call-dol-scrap-esg-proposal>

Continuing with racial justice, here's a link to a NY Post article revealing the myths of white privilege the politically correct driven corporate heads and activist ESG fund managers promulgate.

https://nypost.com/2020/07/11/the-fallacy-of-white-privilege-and-how-its-corroding-society/?utm_source=email_sitebuttons&utm_medium=site%20buttons&utm_campaign=site%20buttons

While these two issues certainly aren't all that ESG investing is about, it certainly draws a large amount of attention, discussion, investment and political pressure. The hidden agendas of these two issues with regard to ESG investments work against capitalism and the American ideals of liberty and freedom.

In certain places, ESG investments are hijacking good intentions of the ignorant as they use social justice issues to work against our government structure. In those places, ESG is a Trojan Horse.

Politically correct corporate heads and ESG fund activists often are attempting to control public policy through financial bullying and cancel culture pressure. Plan sponsors and investment committees may have good motivations in seeking ESG funds in their plans but are usually ignorant of the broader issues and darker agendas that come with these investments. If many plan sponsors and participants knew of these hidden agendas, they would no longer consider them.

A number of years ago, I read an article which described a verbal exchange between Tim Cook of Apple, Inc. and a fund manager present at an Apple shareholder's meeting. During the Q&A a fund manager challenged Mr. Cook regarding Apples use of their cash holdings. The fund manager was interested in getting a shareholder dividend payout and Mr. Cook defended not making the distribution, despite their very rich cash position.

Fiduciaries in an ERISA plan have to act in the best interest of the participants. Similarly, a corporation's purpose is to act in the best interest of the ownership. Apple stated that their investments in social policy issues, specifically in this case for Climate Change, was/is part of being a responsible organization.

That's how and where the waters get muddied.

A fiduciary duty of a corporate leader of a public company is a special legal duty that requires a person to act in the best interest of another. The person who has the duty is called the fiduciary, and the person who is owed the duty is called the principal. A fiduciary must put the principal's interests above their own interests.

A director of a publicly traded corporation is a fiduciary to the firm's principals (shareholders). They have a duty of loyalty, which means the fiduciary must not place their interest above that of the shareholders – especially if it's a political interest.

As evidenced above, Mr. Cook's defense is based on unproven and overhyped theories about the environment. Many ESG investments supposedly supporting race or climate are not factual or even backed by science but rather have hidden agendas. In this pressured and politicized environment, often anyone who dares put forth evidence to the contrary is discredited as a climate denier. If it's any discussion about race, the person is labeled a racist. Name calling has become a means to silence objective thought that brings ideas or thoughts that don't fully agree with the acceptable narrative. There is no free public debate with our cancel culture. This belies the insecurity and lack of evidence of these hidden agendas and twists facts to fit political correctness.

It would be great for everyone to experience a government sponsored unhindered debate on many ESG issues for the public to hear and decide.

In this environment, if a corporate director did not maintain a testimony and actions of the politically correct zeitgeist, the cancel culture would drive them from their respective positions. What's happening to Goya food is just one example:

<https://www.cnn.com/2020/07/10/business/goya-foods-boycott-trump/index.html>

Corporate heads, whose company stock is purchased by ESG managers (many of whom are activist in their own right), come under pressure to make decisions favoring the politically correct vs duty of loyalty to its shareholders. It is too tempting for many of the largest corporations to justify this altered, agenda driven, best interest requirement by using the cover of social, racial or environmental justice rather than to hold a traditional view of fiduciary duty. It has become too thin of a line for these corporate managers and activist fund managers not to cross when considering shareholder duty vs social policy issues. Corporate heads are conned into funding our own downfall.

Unfortunately, where we find ourselves today, only the government can protect us from this fiduciary blur and create cover for plan sponsors and publicly traded company corporate heads to not have to cave to activist pressures. Only the government, right now, can provide a safe haven for fiduciaries to act in a true fiduciary best interest role.

Another area to consider is: <https://www.nationalreview.com/2020/05/corporate-social-responsibility-advocates-distort-shareholder-power/>

In summary, lost on many is that a lot of ESG's push is to get rid of our capitalistic economic structure that has made our economy the strongest in the world, and replace it with Socialism – the politics of envy, of the many, and the governing of the few. Socialism and/or Marxism do not hold a high moral ground over our Constitution's ideals which our imperfect founding fathers gave us. As Mike Pompeo recently stated, America was far from perfect at its founding, but America's "founding principles gave us a standard by which we could see the gravity of our failings."

America is under attack from within with enemies using social justice issues working through ESG investments to justify a change of government structure.

We have to look at the hard facts of many of the malign agendas within ESG investments and not willfully ignore the dangers that they bring despite the social justice sheepskins they are donning.

Much of ESG is a political ruse ripe for abuse. The DOL has to be the sheriff in the world of ERISA to enforce that political correctness doesn't infiltrate and pervert fiduciary responsibility.