



enough

The project to end genocide and crimes against humanity

**Testimony of John Norris
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Before the Congressional Human Rights Caucus
September 10, 2008**

Genocide-Free Investing

I would like to thank the caucus for holding this hearing today, and once again demonstrating much needed leadership in this arena. The Human Rights Caucus continues to be one of the great unsung heroes of the Congress, and a terrific example of the bipartisan commitment in the Congress to fundamental rights around the globe.

I would like to approach my testimony today from a more personal level. For the record, I am not an expert in fiduciary instruments or investment law. I am not a regulatory expert or an investment lawyer. However, during my career I have had the dubious pleasure of sitting down face-to-face with a good many war criminals in places where they live and work – in Liberia, Rwanda, Bosnia, Kosovo and elsewhere. I can tell you without reservation, that all of these men were acutely aware of investment laws and practice in the United States. These men eagerly awaited every mention of sanctions, every list of state sponsors of terrorism and every trafficking report out of the U.S. Government. They pay close attention to divestment campaigns. You will also be pleased to note that many of them seemed quite familiar with testimonies offered in front of the Human Rights Caucus!

Just as we see with Sudan today, it is important to remember that the leaders who direct and organize genocides and crimes against humanity often rely on shady economic deals and patronage to keep their criminal and political networks in place and in power. President Charles Taylor relied on blood diamonds, the Sudanese government relies on oil profits, and President Robert Mugabe of Zimbabwe relies on a dual exchange system that has systematically looted his country, made government insiders filthy rich and fuelled a 66,000 percent inflation rate. One of the reasons that former Yugoslav President Milosevic fell from power after the 1999 Kosovo conflict was the growing dissatisfaction of key money men in his regime who acutely felt the impact of NATO's bombing campaign on their own investments. The web of investments and international financial flows are fundamental to understanding how almost every government conducting crimes against humanity, as well as armed militias preying on citizens in places like eastern Democratic Republic of Congo, manages to stay in power.

That leads to an obvious conclusion and, just as Deep Throat advised Woodward and Bernstein more than 30 years ago, if we want to end genocide, we need to follow the money. It is remarkable to me that while the United States has put in place a very dynamic range of controls to ensure that terrorists around the globe cannot freely move money and assets, those same controls and that same level of scrutiny are not routinely applied to governments and individuals perpetrating mass atrocities against their own citizens. Why not? Why should Sudanese leaders, now responsible for the deaths of hundreds of thousands and the displacement of millions, receive softer treatment than a terrorist trying to blow up explosives on a public bus?

In the case of Sudan, it is abundantly clear that the Government continues to feel empowered to attack its own citizens because of the country's substantial oil wealth and the lack of an effective response from the United States and its allies. In essence, the Sudanese regime is calculating that the U.S. Government is unwilling to take concrete action on the economic front, and thus Sudan's government is more than willing to attack refugee camps, as it did recently while as a powerless UN force fails to intercede.

By taking practical steps toward making genocide-free investment a reality in this country, the Congress can help cut off the lifeblood of some of the worst governments in the world, and send a powerful message that we will not tolerate business as usual when it comes to crimes against humanity.

The organization which I represent, the Enough Project, was formed in 2006 to lead an effort to help build and expand a permanent constituency against genocide and war crimes. In almost every community across America, across the entire political spectrum, we have found that people are incredibly eager to help end the Darfurs of the world, but often feel they lack the tools to do so.

The question we hear most often is: *what can I do?* Yet, this simple and powerful question comes at a time when more than half of American households own equities of some sort. The answer to how millions of Americans can effect change abroad lies no further than their monthly mutual fund statement. But it is also obvious that we need your help and leadership to unlock this powerful tool.

Most family investors do not have the time, patience or expertise to determine if the myriad of holding represented in their average mutual fund are somehow caught up in bankrolling a genocide. Most Americans naturally assume that their own government would not stand idly by and watch as companies that deal with governments conducting crimes against humanity were freely traded on the market.

I think we also expect limited leadership from the financial industry itself on this issue. Other than a small number of socially responsible funds, most large investment companies and houses continue to busily wash their hands of any responsibility. They try to keep change at bay with a bevy of lawyers, lobbyists and public relations experts, just as companies and boards long resisted basic environmental protections, child labor laws and any number of reasonable safety standards. Some in the investment community decry efforts to ensure that portfolios are genocide-free as intrusive, but Congressional intrusion is certainly warranted in a situation where the financial industry itself has been unwilling to lead.

Doing business with a government like Sudan's or Zimbabwe's is ultimately a disservice not only to the people of these countries suffering under the yoke of their own repressive governments, but to investors' bottom lines. We have seen again and again that relationships and investments with rogue regimes are inherently unstable, and these investments are not secure over the long-term. What happened to the many American investors who were told that investing in the Shah of Iran "was just good business sense?"

Over time, governments in places like Sudan, Zimbabwe, and Burma will be replaced by less authoritarian regimes, and we need to ask ourselves if the American government, the American people and American investors want to be on the right side or the wrong side of history. Any new governments will surely remember those countries and investors, such as China, that provided full backing for the former oppressors-in-chief. Congress would only be doing due diligence in ensuring that the basic procedures and regulations are in place to ensure that genocide-free investment can be achieved.

There must be a financial cost to governments conducting some of the worst human rights abuses on the planet. Congress is in a position to work collaboratively with both the human rights and financial communities to make sure that basic ethical consideration and guidelines are put in place with regard to the standards that we develop for mutual funds and their management.

Thank you.