

PUBLIC HEARING ON

**B17-134, “Prohibition of the Investment of Public Funds in
Financial Institutions Making Loans or Doing Business with
the Government of Sudan Emergency Act of 2007”**

**Before the
Committee on Finance and Revenue
Council of the District of Columbia**

The Honorable Jack Evans, Chairman

**June 12, 2007, 11:00A.M.
John A. Wilson Building, Room 412**



**Testimony of
Lasana Mack
Treasurer and Deputy Chief Financial Officer
Office of the Chief Financial Officer**

**Natwar M. Gandhi
Chief Financial Officer
Government of the District of Columbia**

Chairman Evans, members of the Committee, my name is Lasana Mack, DC Treasurer and Deputy Chief Financial Officer in the Office of the Chief Financial Officer. I am pleased to present testimony regarding Bill 17-134, the “Prohibition of the Investment of Public Funds in Financial Institutions Making Loans or Doing Business with the Government of Sudan Emergency Act of 2007.”

The OCFO anticipates that passage of this legislation will have very little impact on the District’s management of public funds. A preliminary analysis indicates that the vast majority of the financial institutions with which the District deposits and invests its funds do not have outstanding loans to the Government of Sudan, a national corporation of, or other corporation organized under the laws of, the Government of Sudan, or to any company for the purpose of investment in the Government of Sudan.

The proposed legislation would require each financial institution with which the District deposits and invests funds to provide an affidavit indicating that it does not have any such loans.

It will be necessary to ensure that the language of such affidavits is consistent with the legal and regulatory requirements of the financial institutions. I am confident however, that these requirements can be met and at the same time be consistent with the intent of the legislation.

The DC Retirement Board has indicated that the impact on its investments would also be minimal. It might involve having to incur some relatively small amount of transaction costs, but is not expected to materially affect the amounts earned in its investment portfolios.

The Office of the Chief Financial Officer is currently gathering the necessary information in order to complete an official fiscal impact statement on this legislation.

As a technical correction, the legislation should refer to the Deposit and Investment Act of 1997, and not the Depository Act of 1977 (which was superseded by the 1997 Act).

Mr. Chairman, members of the Committee, this concludes my testimony. I am prepared to address any questions that you might have at this time.

