

PUBLIC HEARING
ON
BILL 17-657, “PROHIBITION OF THE
INVESTMENT OF PUBLIC FUNDS IN CERTAIN
COMPANIES DOING BUSINESS WITH THE
GOVERNMENT OF IRAN ACT OF 2008”

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

The Honorable Jack Evans, Chairman

October 8, 2008, 10:00 a.m.
Room 120, John A. Wilson Building



Testimony of
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Office of Finance and Treasury
Office of the Chief Financial Officer

Good morning, Chairman Evans, members of the Committee on Finance and Revenue. My name is Lasana Mack, DC Treasurer and Deputy Chief Financial Officer in the Office of the Chief Financial Officer, and an ex-officio, non-voting Trustee of the District of Columbia Retirement Board (DCRB). Thank you for the opportunity to testify on Bill 17-657, the Prohibition of the Investment of Public Funds in Certain Companies Doing Business with the Government of Iran Act of 2008.

This proposed legislation relates specifically to the investments of DCRB. It is the obligation of the Trustees of DCRB to always act in a manner that is consistent with DCRB's fiduciary duties under the statutes that govern its establishment and functioning. It appears that some further definition may be required regarding the intersection between the implementation of this proposed legislation and the manner in which DCRB is required to carry out its fiduciary duties. As a Trustee, I am committed to being clear

about this intersection and the road that leads from it, and look forward to being a part of the process of ensuring that the District and DCRB have arrived at the appropriate legal and professional determinations that provide such clarity.

As DCRB officials have previously testified, the implementation of this proposed legislation would likely have some negative financial consequences for DCRB's investment funds, and I do not disagree with their analysis regarding the numbers. This would not have a direct fiscal impact on the District's Budget and Financial Plan. However, it could have an indirect impact by having some effect on the calculation of future year District contributions to DCRB, but such potential indirect impact is difficult to quantify. It is obviously the right and responsibility of the elected officials of the District, the Council and the Mayor, to make policy decisions on behalf of the Government of the District of Columbia. The Office of the Chief Financial Officer is obligated to ensure that the policy decisions of the Mayor and the Council are carried out in a

manner that is financially and fiscally viable and prudent. As previously stated, it is the obligation of DCRB Trustees to manage the investments on behalf of its beneficiaries as a responsible fiduciary.

I look forward to carrying out my duties regarding this proposed legislation in a manner that is consistent with DCRB's fiduciary responsibilities and consistent with the policy decisions of the Mayor and the Council.

Mr. Chairman, this concludes my testimony. I am prepared to address any questions that you may have.