



New York City Comptroller
John C. Liu

NEWS RELEASE

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NYC PENSION FUNDS RENEW CALL FOR TRANSPARENCY ON POLITICAL CONTRIBUTIONS

*On January 21 anniversary of Citizens United ruling,
NYC Pension Funds call on firms to report political contributions;
one major company agrees to increased disclosure*

NEW YORK, NY – New York City Comptroller John C. Liu and the NYC Pension Funds called on six companies to publicly disclose their political contributions on the anniversary of the U.S. Supreme Court ruling in *Citizens United v. Federal Election Commission*.

“The Supreme Court may have given corporations free rein to mix our money into politics, but the shareholders whose pensions are invested with those firms have every right to know where that money is being spent,” Comptroller Liu said. “Corporate activity in politics raises troubling questions for shareholders. Full disclosure of political activity is the only remedy to hold management accountable to shareholders.”

The shareholder proposal was sent to Charles Schwab Corp. (NYSE: SCHW), Coventry Health Care (NYSE: CVH), DTE Energy Co. (NYSE: DTE), Regions Financial (NYSE: RF), Sprint Nextel Corp. (NYSE: S), and WellCare Health Plan, Inc. (NYSE: WCG).

“Pension funds and shareholders need to demand accountability and transparency when corporations they invest in engage in political spending,” said New York City Public Advocate Bill de Blasio, who is a member of the board of the New York City Employees’ Retirement System. “Working with pension funds here in New York and nationwide we can continue to get corporations to reject the political activities afforded them by *Citizens United*.”

Railroad and transportation corporation Norfolk Southern recently agreed to a strong political disclosure policy after receiving shareholder proposals on the issue from the NYC Pension Funds in 2009 and 2010. Norfolk Southern will not only disclose its political contributions, but will state on its website when the company disagrees with political efforts supported by trade associations to which it belongs. The company’s commitment to transparency stands in stark contrast to those corporations that make anonymous donations to trade associations to hide management’s support for issues and political campaigns that may be publicly distasteful or even contrary to their company’s publicly stated positions or best interests.

“Norfolk Southern’s increased transparency is an encouraging example of the kind of best practices we hope to see from many more publicly held corporations,” Comptroller Liu said.

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The NYC Pension Funds asked the companies to provide detailed accounts of their direct and indirect contributions to candidates, political parties, ballot referendums and other political activities twice a year. The NYC Pension Funds also requested the six companies provide the names and titles of employees who participated in the decisions to make the contributions.

Publicly reported contributions offer little more than a snapshot of corporations' political activities. Full disclosure of political involvement is in the best interest of these corporations, their shareholders, and ethical business practices.

When approached with the Pension Funds' request last year, during the 2010 proxy season, the six firms were non-responsive, despite significant support from fellow shareholders in Coventry Health Care (46%), Regions Financial (42%), and Sprint Nextel (38.4%). Other firms contacted by the Funds at that time, including AES Corp., Altria Group, Inc., Humana, Inc., and Norfolk Southern agreed to increase the transparency of their political contributions.

The New York City Comptroller serves as the investment advisor to, custodian and trustee of the New York City Pension Funds. The New York City Pension Funds are comprised of the New York City Employees' Retirement System, Teachers' Retirement System, New York City Police Pension Fund, New York City Fire Department Pension Fund and the Board of Education Retirement System. The New York City Pension Funds hold a combined 17,166,436 total shares in Charles Schwab Corp. (NYSE: SCHW), Coventry Health Care (NYSE: CVH), DTE Energy Co. (NYSE: DTE), Regions Financial (NYSE: RF), Sprint Nextel Corp. (NYSE: S), and WellCare Health Plan, Inc. (NYSE: WCG) for a combined asset value of \$169,639,472 as of 1/19/2011.

TEXT IN-FULL OF SHAREHOLDER PROPOSAL:

Resolved, that the shareholders of COMPANY ("Company") hereby request that the Company provide a report, updated semi-annually, disclosing the Company's:

1. Policies and procedures for political contributions and expenditures (both direct and indirect) made with corporate funds.
2. Monetary and non-monetary contributions and expenditures (direct and indirect) used to participate in or intervene in any political campaign on behalf of (or in opposition to) any candidate for public office, and used in any attempt to influence the general public, or segments thereof, with respect to elections or referendums. The report shall include the following:
 - a. An accounting through an itemized report that includes the identity of the recipient as well as the amount paid to each recipient of the Company's funds that are used for political contributions or expenditures as described above; and
 - b. The title of the person or persons in the Company who participated in making the decisions to make the political contribution or expenditure.

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The report shall be presented to the board of directors' audit committee or other relevant oversight committee and posted on the company's website to reduce costs to shareholders.

Stockholder Supporting Statement

As long-term shareholders of COMPANY, we support transparency and accountability in corporate spending on political activities. These activities include direct and indirect political contributions to candidates, political parties, political organizations or ballot referendums; independent expenditures; or electioneering communications on behalf of a federal, state or local candidate.

Disclosure is consistent with public policy, in the best interest of the company and its shareholders, and critical for compliance with federal ethics laws. Moreover, the majority in the Supreme Court's *Citizens United* decision recognized the importance of political spending disclosure for shareholders when it said "[D]isclosure permits citizens and shareholders to react to the speech of corporate entities in a proper way." This transparency enables the electorate to make informed decisions and give proper weight to different speakers and messages." Gaps in transparency and accountability may expose the company to reputational and business risks that could threaten long-term shareholder value.

COMPANY contributed at least \$AMOUNT in corporate funds since the 2002 election cycle.

However, relying on publicly available data does not provide a complete picture of the Company's political expenditures. For example, the Company's payments to trade associations used for political activities are undisclosed and unknown. In many cases, even management does not know how trade associations use their company's money politically. The proposal asks the Company to disclose all of its political contributions, including payments to trade associations and other tax exempt organizations. This would bring our Company in line with a growing number of leading companies, including Hewlett-Packard, Aetna and American Electric Power that support political disclosure and accountability and present this information on their websites.

The Company's Board and its shareholders need complete disclosure to be able to fully evaluate the political use of corporate assets. Thus, we urge your support for this critical governance reform.

In addition to Comptroller Liu, the New York City Pension Funds trustees are:

New York City Employees' Retirement System: Ranji Nagaswami, Mayor's Representative (Chair); New York City Public Advocate Bill de Blasio; Borough Presidents: Scott Stringer (Manhattan), Helen Marshall (Queens), Marty Markowitz (Brooklyn), James Molinaro (Staten Island), and Ruben Diaz, Jr. (Bronx); Lillian Roberts, Executive Director, District Council 37, AFSCME; John Samuelsen, President Transport Workers Union Local 100; Gregory Floyd, President, International Brotherhood of Teamsters, Local 237.

Teachers' Retirement System: Ranji Nagaswami, Mayor's Representative; Deputy Chancellor Kathleen Grimm, New York City Department of Education; Mayoral appointee Tino Hernandez;

and Sandra March, Melvyn Aaronson and Mona Romain, all of the United Federation of Teachers.

New York City Police Pension Fund: Mayor Michael Bloomberg; New York City Finance Commissioner David Frankel; New York City Police Commissioner Raymond Kelly (Chair); Patrick Lynch, Patrolmen's Benevolent Association; Michael Palladino, Detectives Endowment Association; Edward D. Mullins, Sergeants Benevolent Association; Thomas Sullivan, Lieutenants Benevolent Association; and, Roy T. Richter, Captain's Endowment Association.

New York City Fire Department Pension Fund: Mayor Michael Bloomberg; New York City Fire Commissioner Salvatore Cassano (Chair); New York City Finance Commissioner David Frankel; Stephen Cassidy, President, James Slevin, Vice President, Robert Straub, Treasurer, and John Kelly, Brooklyn Representative and Chair, Uniformed Firefighters Association of Greater New York; John Dunne, Captains' Rep.; James Lemonda, Chiefs' Rep., and James J. McGowan, Lieutenants' Rep., Uniformed Fire Officers Association; and, Sean O'Connor, Marine Engineers Association.

Board of Education Retirement System: Schools Chancellor Cathleen Black, Mayoral: Philip Berry, Gitte Peng, Robert Reffkin, Tino Hernandez, Joe Chan, Tomas Morales, Linda Laursell Bryant, and Lisette Nieves; Patrick Sullivan (Manhattan BP), Gbubemi Okotieuro (Brooklyn BP), Dmytro Fedkowskyj (Queens BP), Joan Correale (Staten Island BP), and Monica Major (Bronx BP); and employee members Joseph D'Amico of the IUOE Local 891 and Milagros Rodriguez of District Council 37, Local 372.

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