Advisory Committee on Corporate Responsibility in Investment Policy (ACCRIP)

Meeting Minutes for Meeting of October 17, 2017

Members Present

Chi-Ming Hai (faculty) - present

Yongsong Huang (faculty) - present

Andrew McIntosh (investment office) - present

Patricia Paulino (ugrad) - present

David Muller (alum) - present

Jamie Kase (alum) - present

Katie Silberman (chair) – present

Taylan Susam (grad) - present

Members Absent

Fulvio Domini (faculty)

Guests

Camila Pelsinger (Brown ACLU)

Jane Dietze (Investment Office)

Erica Nourjian (Investment Office)

Joshua Kennedy (Investment Office)

Kimberly Roskiewicz (President's Office)

Cary Krosinsky (Guest Lecturer)

Vikas Rajasekaran (New RA)

Anne Sharpe (Investment Office)

Lucy Galoyan (President's Office)

Agenda:

1. Introduction of new members to ACCRIP
2. Approval of minutes from last meeting
3. ACCRIP mission statement
4. Update on fossil fuel recommendation from 2016/development from climate change task forces
5. Proxy resolution process and guidelines
6. New business
7. Scheduling future meetings

Meeting notes:

1. Introductions

2. Minutes approved by members who were present at previous meeting

3. ACCRIP mission: "Consider issues of moral responsibility in the investment policies of Brown University"

1. An introduction to ACCRIP's missions for the new members:
    a. Consider requests by any member of the Brown Community to examine issues of alleged "social harm" with respect to the activities of the corporation in which the University is an investor.
        - Ex: Issue of Brown's divesture to support climate change efforts to help drive Brown's investment committees' decisions
    b. Examine all proxy resolutions that are presented to the University as a shareholder in any company and that raises issues of social responsibility.

4. Update on fossil fuel recommendation from 2016/development from climate change task forces

1. Task force built to consider investments from a climate change perspective
    - Committee is looking at renewable energy sources, carbon footprint and sustainability goals for 2035
2. (David): Need to understand the historical context on the difficulty of dealing with issues like divesture
    - Many investments are not possible to divest because many are within comingled funds
    - Issue is not as binary as it seems; divestment is just one tool – using other tools like shareholder activism could have a role – also

need to look at using techniques that other universities are implementing,

3. Structure of the recommendation process: the committee is responsible to the President and the President takes the recommendation to the Brown Corporation

5. **Proxy resolution and guidelines**
   1. History of proxy voting
      a. The goal of the guidelines is to allow for more transparency for the votes, but current guidelines are outdated (10 years old)
      b. Committee goal should be to update proxy guidelines –
         1. Possibly make proxy guidelines more flexible to cover a broader range of resolutions (typically in spring as that's when proxy season is full swing) because there isn't much time between proxy and meeting dates
         2. Updating the guidelines would require a vote by the Brown Corporation

6. **New business (Brown ACLU):**

Statement by Brown ACLU:

"The Private Prison industry has time and time again proven itself to be an impediment to the rehabilitation of our nation's prisoners that our carceral system supposedly aims for. Private prison corporations often shirk responsibility for the sake of profits. TIME reports that a recent DOJ investigation found that private prisons, "provide fewer correctional services at greater security and safety risk to inmates and staff…" In order to maximize profits, private prisons frequently engage in practices such as undertraining their officers and maintaining unsafe inmate-to-staff ratios. In addition, private prisons often establish contracts with states to guarantee occupancy rates, the implication being that law enforcement is required to fill bed quota minimums (or else face fee penalties), putting more and more people behind bars.

Though private prison corporations are certainly an issue, clearly calling for divestment, ancillary companies to the private prison industry may pose a problem as well. Aramark, for example, has consistently proven itself to be incompetent at providing humane food to inmates, (http://www.pbs.org/newshour/updates/prison-strike-protest-aramark/). A report by the Southern Poverty Law Center demonstrated that Corizon Health, the corporation responsible for providing healthcare to inmates, pressures employees to cut costs by delaying or denying medical care to prisoners. The report cites a specific case of an inmate with an injury, later to be determined a "burst fracture" of C4 vertebra in his neck, who was denied medical care by Corizon employees. He died soon after and specialists conclude that had he been immediately sent to the hospital by Corizon health employees, he likely would have lived. This is only one example of the denial of health that is plaguing our prisons. (https://www.splcenter.org/20161027/profits-vs-prisoners-how-largest-us-prison-

health-care-provider-puts-lives-danger). These companies have a fundamental interest in increasing incarceration so as to maximize their profits. Therefore, it comes as no surprise that they have taken on an active political role in lobbying for laws and policies that fuel higher rates of incarceration and imprisonment, such as three strikes laws and mandatory minimums .

Our research concludes that if Brown University were to be invested in private prison corporations, as well as its ancillaries, our school would be directly contributing to the plight of the incarcerated in this country. As we find such a relationship unconscionable, we urge the ACCRIP to conduct an investigation into Brown University's potential investments in this sector. Furthermore, we intend to draft a full proposal calling for Brown's divestment from the private prison sector for the foreseeable future.

Corporations that directly profit from prisons

- *GEO Group (publicly traded)*
- *CoreCivic (previously known as CCA) (publicly traded)*
- *G4S (Publicly traded)*
- *MTC (Management & Training Corporation) (NOT publicly traded)*
- *Aramark (publicly traded)*
- *Corizon Health (suspended)*
- *Global Tel-Link (not positive)"*

1. Private prisons engage in unsafe practices such as guarantee quotas to maintain profits, implying that police must maintain arresting individuals
2. Issues with private prisons: lack of medical care in private prisons, fundamental interest in maintaining imprisonment, actively involved politically to lobby for stronger legal penalties
3. Private prisons and ancillaries would be directly contributing to the incarceration of individuals
4. Columbia University divested from private prisons 2 years ago because of a recommendation from their committee
5. Brown's Investment Office has not looked at private prisons as an investment opportunity and will examine current investments like mutual funds to see if Brown is invested
6. Possible standard to examine is what percentage of a supplier is doing business with private prisons to determine level of relationship between supplier and private prisons
7. Brown ACLU is looking for public statement from Brown if found there is no investment in private prisons stating their commitment to not invest in private prisons

    8. Brown ACLU's goal is divesting in general including from mutual funds

7. **Scheduling future meetings:**
    1. November 14, December 12 at noon
8. **Member introductions**
9. **Meeting adjourned**