

Dear Pension Trustee,

On behalf of the undersigned organizations, we urge you to make a public commitment to decline future investment opportunities with The Blackstone Group and publicly urge the firm and its employees to commit to discontinuing all political spending.

Blackstone CEO Stephen A. Schwarzman's ongoing refusal to firmly break with former President Donald Trump in spite of Trump's role inciting the insurrection exposes investors to unacceptable levels of reputational risk. Schwarzman personally donated \$3 million to a PAC supporting Trump's 2020 campaign, money earned from fees and expenses paid for by your pension fund and the working people whose retirement savings you are responsible for investing.

Schwarzman supported Trump even after he praised white supremacists, calling them "very fine people." Schwarzman supported him and other politicians who espoused anti-Black, anti-immigrant, anti-Muslim, and anti-Semitic policies and rhetoric. Press reports have noted that he is the major CEO President Trump tapped most frequently for advice.¹ Rather than use this line of access to dissuade him from pursuing his white supremacist policies and desperate coup attempt, Schwarzman apparently encouraged him. Following the election, he participated in a CEO conference call where he defended Trump's right to challenge the election results, took issue with suggestions that the U.S. could face a coup attempt, and promoted one of Trump's key unfounded conspiracy theories, questioning how the vote count in Pennsylvania shifted in Biden's favor.²

Unfortunately, Schwarzman's support of anti-democratic politicians and policies is part of a broader pattern of Blackstone, its executives, and its portfolio companies engaging in business practices that threaten the lives and livelihoods of working families, including pension plan participants.

Blackstone's Team Health has been a major driver of surprise medical billing, where hospital patients are treated by physicians outside of their insurance networks, even though they went to an in-network hospital. Through no fault of their own, patients may be stuck with bills in the tens of thousands of dollars. This practice can lead to financial disaster even for working families and retirees with the best union healthcare plans. Blackstone spent millions on lobbying and political ads to stall and water down bipartisan legislation to end the practice.³

After buying up thousands of properties in the wake of the 2008 housing crisis, Blackstone created Invitation Homes, and used its position as the nation's largest landlord to increase

¹ <https://www.nytimes.com/2020/04/03/business/dealbook/trump-coronavirus-advisors.html>

² <https://www.ft.com/content/558f2a68-7d42-4702-b86d-fae5458b3e64>

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<https://www.propublica.org/article/medical-staffing-companies-cut-doctors-pay-while-spending-millions-on-political-ads>

<https://www.propublica.org/article/how-rich-investors-not-doctors-profit-from-marking-up-er-bills>

profits by raising rents, while failing to adequately maintain properties.⁴ When California voters were considering a rent control ballot measure, Proposition 10, Blackstone spent \$5.6 million to fight the measure, including money from investment funds.⁵ And now, in the face of a housing nightmare, where as many as 40 million people may lose their homes, Blackstone is making plans to use its \$125 billion in “firepower” to take advantage of households on the brink of disaster.⁶ Public sector workers and retirees should be able to afford to live in the communities they spend their lives serving. It is against their interests for their pension funds to be investing in corporations that are displacing them from their homes.

Blackstone is also a major investor in climate-destroying fossil fuel energy from wellhead to wall socket. It owns oil and gas wells, fracking companies, offshore drilling firms, pipelines, and power plants.⁷ Blackstone also owns a large portion of an infrastructure company linked to projects fueling Amazon rainforest destruction, despite calls from Indigenous Amazon defenders to halt the projects.⁸ The billions Blackstone has plowed into these assets lock us into a fossil fuel future that threatens the climate, abuses Indigenous rights, and worsens the environmental health burdens of front line communities while also posing financial and reputational risks for investors. Lobby disclosures indicate Blackstone is actively lobbying on energy policy, among other things.

Schwarzman once compared a proposal to tax private equity profits at the ordinary income tax rate to Hitler’s invasion of Poland.⁹ In January, a different authoritarian led an invasion of the United States Capitol. He did it with help from The Blackstone Group CEO, whose personal fortune was earned from fees paid out of the retirement savings of hard working Americans.

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⁴ https://populardemocracy.org/sites/default/files/Housing-report_web-final.pdf

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<https://www.theguardian.com/us-news/2018/oct/23/california-public-employees-unwittingly-fund-rent-control-fight>

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<https://www.aspeninstitute.org/blog-posts/the-covid-19-eviction-crisis-an-estimated-30-40-million-people-in-america-are-at-risk/> and

<https://therealdeal.com/2020/04/23/blackstone-we-dont-need-financing-to-get-things-done/>

⁷ <https://dealbook.nytimes.com/2015/01/23/blackstone-is-said-to-raise-4-5-billion-for-energy-fund/>;

<https://www.businesswire.com/news/home/20160211005756/en/Blackstone-Forms-Partnership-for-Offshore-Oil-Gas-Drilling-Services>.

⁸ <https://theintercept.com/2019/08/27/amazon-rainforest-fire-blackstone/>

⁹ https://www.salon.com/2010/08/16/obama_invides_poland/

Action Center on Race and the Economy
Americans for Financial Reform
New York Communities for Change
Solidaire Network
Strong Economy For All Coalition
Jobs with Justice
United for Respect
Revolving Door Project
Center for Popular Democracy
American Family Voices
Courage California
Resource Generation
Brave New Films
Mazaska Talks
350.org
350Hawaii
Public Citizen
CCAG
350 Conejo / San Fernando Valley
350 Butte County
FreshWater Accountability Project
Texas Campaign for the Environment
Earth Action, Inc
SoCal 350 Climate Action
1000 Grandmothers for Future Generations
Climate Finance Action
Future Coalition
Rapid Shift Network
CatholicNetwork.US
Call to Action Colorado
Businesses for a Livable Climate