



**FIGHT GENOCIDE  
DO NOT STAND IDLY BY**  
JWW.org

July 10, 2022

The Honorable James P. McGovern  
Chairman  
House Committee on Rules  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Tom Cole  
Ranking Member  
House Committee on Rules  
U.S. House of Representatives  
Washington, DC 20515

**Re: Protecting Federal Workers, Veterans, and Uniformed Service Members' Thrift Savings Plan (TSP) retirement accounts from exposure to the Chinese Communist Party (CCP) in the FY 2023 (FY23) National Defense Authorization Act (NDAA)**

Dear Chairman McGovern and Ranking Member Cole,

We ask that in the Rules Committee consideration process of the FY23 NDAA you make in order the following amendments that would protect American government employees from the harms caused by investing their hard-earned retirement dollars in an inefficient market, state-controlled companies, and adversarial country – the People's Republic of China. The following amendments would require the Federal Retirement Thrift Investment Board (FRTIB), the stewards of the TSP, to protect investors from bad actor CCP entities that are imprudent investments and seek to cause harm to our national security, economic security, and freedoms.

The amendments we call for consideration and to be made in order are:

- Waltz, Malinowski 1034: Prohibits military service members from exposure to Chinese military company investments through the Thrift Savings Plan by requiring the review and removal of mutual funds that hold Chinese military companies (defined in section 1260H of FY21 NDAA) from the Thrift Savings Plan mutual fund window.
- Waltz, Malinowski 1087: Prevents the Federal Retirement Thrift Investment Board from investing the International Stock Index Investment Fund of the Thrift Savings Plan (TSP) in jurisdictions that do not allow U.S. audit inspections. Prevents TSP investment in Chinese markets, including Chinese military companies.
- Banks 444: Prohibits any Thrift Saving Plan Fund investment in the entities of the People's Republic of China.

We understand that the above-listed amendments take different approaches to mitigating the harm caused to TSP plan participants by the opaque and flawed management of the program by the FRTIB and the intentional or unintentional exposure to sanctioned and harmful Chinese entities. While different approaches can be taken, the objectives are clear:

- Remove Chinese companies that are non-compliant with U.S. securities laws from the “I” Fund of the TSP and the Mutual Fund Window;
- Prohibit unclear, unmarked, and passive investing into Chinese entities by the TSP via the traditional funds or the newly available mutual Fund Window; and
- Reform the opacity of the fund management system of the TSP to empower plan holders to make informed investment choices with clear and easy access to their investment dollars and investment advising.

Upon brief research on the “I” Fund and the new mutual fund window, we know that there are over 30 companies present in the “I” Fund that are Hong Kong listed, Chinese entities – many complicit in the Uyghur genocide and forced labor scheme of the CCP. We also know that there are at least 22 China-only funds on offer in the mutual fund window. Additionally, we know that there are funds on offer that are weighted up to 33% toward China and contain sanctioned, bad actor, human rights violators, Chinese Military Industrial Complex Companies, and more. The attached enclosure details some of this further for your awareness.

While we believe in investor choice and want the TSP to be of comparative value with the private market. The simple fact is that this is a government-run benefit for government employees in sensitive jobs and positions. Those who serve or who have served in the Uniform Services, and all those across the branches of the federal government who take an oath to protect our nation require the fiduciary obligation to them to be upheld. The TSP presents itself as a government tool and product, and there is a belief that the investment products offered to plan holders are not contrary to security clearance and ethics requirements or national security. The risks we have outlined above are not known to plan holders, not disclosed, nor easy to find out.

Additionally, to seek a true private market option would be more cost-effective and have less barriers to access to fiduciaries, fund managers, and investment advisors. If the government offers such a product, it is their fiduciary duty, we believe, to maintain proper disclosure regimes, as well as prohibit investing in entities that the government says are unwise, unsafe, or illegal investments. The FRTIB has compromised its own clients – who depend on their fiduciary duty - by putting individuals at risk without awareness or recourse. This means that

military men and women and veterans can unintentionally invest in the very military companies they are supposed to be fighting against; civil servants and military members of Uyghur or other Turkic ethnic groups can be investing in the very companies complicit in the genocide of their own people; and Treasury, Commerce Department, Intelligence Community, and other civilian workers can be investing in the very companies they are sanctioning. The examples can go on.

Without Congressional guidance and intervention U.S. policies conflict with this FRTIB action. Both Presidents Biden and Trump have promulgated Executive Orders precluding certain investments in Chinese Entities, and Congress has passed numerous pronouncements and sanctions laws preventing certain financial interactions with CCP-linked and other bad actor companies. It is time that the FRTIB has governing policies that align with the rest of U.S. law and afford investors protection from unwittingly financing America's leading economic and strategic rival.

The TSP is the nation's largest pension fund with over \$730 billion in assets under management that demands your urgent attention. We appreciate your consideration of our call to stop investing the retirement funds of service members, veterans, and the civilian workforce in CCP-linked companies. We respectfully ask that you make the specified amendments in order for consideration on the House floor for the FY23 NDAA.

Sincerely,

Athenai Institute  
Center for Security Policy  
Coalition for a Prosperous America  
Jewish World Watch  
Katartismos Global  
Victims of Communism Memorial Foundation

Cc: House Rules Committee

The Honorable Carolyn Maloney, Chair, House Oversight and Reform Committee

The Honorable James Comer, Ranking Member, House Oversight and Reform Committee

Encl: The CCP in the TSP - Company Risk Profiles Briefer