

# United States Senate

WASHINGTON, DC 20510-0908

May 24, 2022

Honorable David Jones  
Chairman (Acting)  
Federal Retirement Thrift Investment Board  
77 K Street NE  
Washington, D.C. 20002

Dear Acting Chairman Jones:

We write to convey urgent concern with regard to the Federal Retirement Thrift Investment Board's (FRTIB) decision to open a new "Mutual Fund Window" beginning next month for federal Thrift Savings Plan (TSP) participants. Such a move could expose billions of dollars in retirement savings of U.S. federal employees and service-members to Chinese companies, including ones currently sanctioned by the U.S. government for human rights abuses or otherwise blacklisted for the threat they pose to U.S. national security.

The FRTIB previously considered taking similar actions to invest federal retirement savings in dangerous, unaccountable Chinese firms, including tracking the TSP's International Stock Index Investment (I Fund) to the MSCI All Country World ex-U.S. Investable Market Index (ACWI ex-US IMI). This would have meant investing the pensions of TSP account-holders in some of Beijing's most odious military contractors as well as Chinese surveillance technology companies such as Hikvision, which the Biden Administration is reportedly considering sanctioning<sup>1</sup> as part of its Specially Designated Nationals and Blocked Persons List.

After widespread and bipartisan outrage in 2020, the FRTIB voted unanimously to abandon the ACWI ex-US IMI transition. We urge the Board not to follow through with this ill-advised move. In that same spirit, we ask the FRTIB to immediately cease its plans to offer the proposed Mutual Fund Window, which would provide TSP account-holders the option to invest up to 25 percent of their savings in one or more of approximately 5,000 mutual funds. Given the vast number of Chinese companies implicated in this decision and the FRTIB's past efforts to include such companies in the TSP, it is unlikely that your Board would be able to ensure that the approximately 5,000 mutual funds are all free of Chinese firms that pose a direct threat to American national security, enterprises implicated in Chinese Communist Party (CCP) human rights abuses, or companies that otherwise lack the requisite financial transparency and fiduciary responsibility to qualify as prudent investment opportunities. In fact, the FRTIB has explicitly acknowledged as much, when it noted last year that "monitoring approximately 5,000 mutual funds for any investments in Chinese entities would prove too costly for the plan."<sup>2</sup>

U.S. service-members and other federal employees would likely be shocked to learn that the FRTIB is unaware of which companies make up these approved funds or what risk those

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<sup>1</sup> <https://www.ft.com/content/7bc70335-138e-4f56-afe1-ae4383eeb2b>

<sup>2</sup> [https://www.frtib.gov/meeting\\_minutes/2021/2021May.pdf](https://www.frtib.gov/meeting_minutes/2021/2021May.pdf)

companies pose. They do not want their retirement dollars to underwrite the development of the CCP's advanced weapons systems and military modernization. They do not want to be implicated in sponsoring genocide of the Uyghur people, equipping concentration camps, and trafficking in forced labor. They do not want to invest in an opaque mutual fund platform in which Chinese companies do not adhere to federal securities laws or submit to adequate disclosure requirements. When they invest through TSP, they rightly expect the FRTIB will protect them and their investments from these types of dangerous investments. It is evident that the FRTIB cannot live up to that expectation at this time. For these, and several other reasons, we again urge the Board to cancel, or, at minimum, postpone implementation of its Mutual Fund Window initiative until your Board can ensure that no TSP funds are invested in dangerous, non-compliant or opaque Chinese securities, as well as commit to providing TSP account-holders as much transparency as possible about where their hard-earned savings are being invested.

We appreciate your attention to this urgent matter and look forward to your timely response.

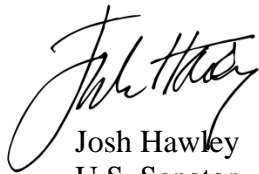
Sincerely,



Marco Rubio  
U.S. Senator



Rick Scott  
U.S. Senator



Josh Hawley  
U.S. Senator



Tom Cotton  
U.S. Senator



Roger Marshall, M.D.  
U.S. Senator



Rob Portman  
U.S. Senator