

1 HOUSE JOINT RESOLUTION

2 WHEREAS, Many people throughout our nation have
3 experienced severe investment losses due to the failure of
4 the Enron Corporation; and

5 WHEREAS, It has been suggested that investment losses
6 experienced by the five state-funded public employee
7 retirement systems should be determined as soon as possible
8 especially if the State is to recover any of these losses;
9 therefore be it

10 RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE
11 NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE
12 SENATE CONCURRING HEREIN, that we respectfully direct the
13 Illinois Auditor General to undertake a special audit of the
14 State Universities Retirement System, the Teachers'
15 Retirement System of the State of Illinois, and the Illinois
16 State Board of Investment (as investment manager for the
17 assets of the General Assembly Retirement System, the Judges
18 Retirement System of Illinois, and the State Employees'
19 Retirement System of Illinois); and be it further

20 RESOLVED, That this special audit should focus on the
21 investment of public employee retirement system assets in the
22 stock, obligations, and securities of the Enron Corporation,
23 and should endeavor, at a minimum, to answer the following
24 questions with respect to those investments:

25 (1) Which retirement system investments have been
26 affected by the failure of Enron?

27 (2) When were these investments made?

28 (3) How long have these investments been held?

29 (4) When were these investments sold? (Or, if they
30 have not been sold, why not?)

31 (5) Which of the affected investments were merged
32 or pooled investments, or investments in mutual funds?

1 (6) Which of the affected investments were managed
2 by an outside investment manager (other than the
3 retirement system or State Board of Investment)?

4 (7) What kinds of safeguards against loss or
5 mismanagement were in place, and what, if any, additional
6 safeguards are needed?

7 (8) What effect will the affected investments have
8 on the financial condition of the retirement systems and
9 the level of required State contributions to those
10 systems?

11 and be it further

12 RESOLVED, That the Auditor General is respectfully
13 directed to report the results of this special audit to the
14 General Assembly as soon as may be practical; and be it
15 further

16 RESOLVED, That a copy of this resolution be delivered to
17 the Illinois Auditor General.