25 States Sue Biden Administration Over ESG Investment Rule

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More than two dozen states are suing the Biden administration over a Department of Labor (DOL) rule scheduled to take effect on Monday. The rule, which was originally announced in November, would undo a Trump era ban that prevented fiduciaries from using ESG (Environment, Social, Governance) factors when investing money in pension funds.

ESG requires funds to consider environmental and social factors when investing in companies. Many refer to ESG funding as "woke investing," as it is required to factor in not only how companies are dealing with so-called climate change, but also their commitments to other woke issues such as LGBTQ rights and even abortion.

The plaintiffs believe that ESG investing is a means to advance left-wing causes without having to deal with the ballot box, rather than a sound investment strategy based on the needs of consumers.

Led by Utah Attorney General Sean Reyes, the suit is part of an ongoing backlash against ESG investing being pushed by mainly GOP-led states. Reyes explained in a statement released on Thursday.

> The Biden Administration is promoting its climate change agenda by putting everyday people's retirement money at risk…. Americans are already suffering from the current economic downturn. Permitting asset managers to direct hard-working Americans' money to ESG investments puts trillions of dollars of retirement savings at risk in exchange for someone else's political agenda. We are acting with urgency on this case because this illegal rule is set to take effect next week. It must be stopped.

The states joining Utah in the lawsuit are Alabama, Alaska, Arkansas, Florida, Georgia, Idaho, Indiana, Iowa, Kansas, Kentucky, Louisiana, Mississippi, Missouri, Montana, Nebraska, New Hampshire, North Dakota, Ohio, South Carolina, Tennessee, Texas, Virginia, West Virginia, and Wyoming.

Many of these states, most notably Texas, Florida, Louisiana, and Kentucky, have already launched their own actions against ESG funding in their state pension plans.

Other attorneys general have weighed in on the lawsuit.

"This is about protecting retirees in Louisiana and the rest of the country," said Louisiana AG Jeff Landry. "Investments should be made using sound economic principles, not woke policies. These firms have a responsibility to invest with their client's best financial interests in mind rather than Biden's disastrous agenda."

"This rule is an affront to every American concerned about their retirement account," said Texas AG Ken Paxton."The fact that the Biden Administration is now opting to risk the financial security of working-class Americans to advance a woke political agenda is insulting and illegal."

The new rule is known as "Prudence and Loyalty in Selecting Plan Investments and Exercising Shareholder Rights."

According to the Biden administration, the new rule was needed because the Trump era restrictions against ESG funding clashed with its own left-wing and climate agenda.

"The need for clarification comes from the chilling effect and other potential negative consequences caused by the current regulation with respect to the consideration of climate change and other ESG factors in connection with these activities," an explanation of the new rule stated.

However, plaintiffs cried foul since the new rule allows pension managers to consider factors other than the investors' best interest:

> The 2022 Investment Duties Rule makes changes that authorize fiduciaries to consider and promote 'nonpecuniary benefits' when making investment decisions…. Contrary to Congress's clear intent, these changes make it easier for fiduciaries to act with mixed motives. They also make it harder for beneficiaries to police such conduct.

The lawsuit also alleges that the new law goes too far in its interpretation of 1974's Employment Retirement Income Security Act (ERISA).

"The 2022 Rule oversteps the Department's statutory authority under the Employment Retirement Income Security Act of 1974 ('ERISA'), 29 U.S.C. § 1001 *et seq*., and is contrary to law," the lawsuit explains.

In addition to seeking a preliminary injunction against the new rule, plaintiffs seek "permanent relief in the form of a declaration that the ESG Rule violates the APA [Administrative Procedure Act] and ERISA and is arbitrary and capricious."

ESG investing is a pivotal cog in what the World Economic Forum's Klaus Schwab refers to as "stakeholder capitalism." It's another front in the globalist mission to take over everything, an extra battle for freedom-loving nations to fight. If the global elites can't assure a takeover through political means, perhaps they can get what they want through the corporations — while using our own money to do it.

At least some are fighting against it and, as usual, it comes from the state level.