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AUDITOR GENERAL

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News for Immediate Release

May 22, 2019

Auditor General DePasquale Urges Congressional Delegation to Press Peru to Honor Obligations to Retirees in Pennsylvania

HARRISBURG – Auditor General Eugene DePasquale today asked Pennsylvania’s congressional delegation to join the effort to persuade Peru to honor its debt to retirement systems that purchased that country’s Agrarian Reform Bonds. The government of Peru stopped making payments on the bonds years ago.

“U.S. retirement systems that purchased Peru’s Agrarian Reform Bonds are owed billions of dollars,” DePasquale said. “Peru’s continuing refusal to honor its bond debt threatens the retirement security of hundreds of thousands of retirees in Pennsylvania and in other states.”

DePasquale said at least eight employee pension plans that more than 290,000 Pennsylvanians rely on for financial security invested in Peruvian bonds decades ago. These investments provide for the retirement security of municipal and trade union workers.

In a letter sent to members of Pennsylvania’s congressional delegation, DePasquale wrote:

“I am writing today to ask you to contact United States Secretary of State Mike Pompeo. Please request that the U.S. State Department aggressively work with the Peruvian Ambassador to the United States to reach a mutually fair and reasonable resolution.

“Allowing Peru to default on the debts it owes U.S. investors sets a dangerous precedent. American workers should never feel anxiety over whether their pension assets are compromised because of Peru’s unwillingness to fulfill its debt obligations.

“I hope that you are willing to provide direct support on this issue by communicating the urgency of this matter to Secretary of State Mike Pompeo.”

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