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Citi Bond Business Draws Warning in Texas Over Abortion Help.

- **Conservative lawmaker sends cease-and-desist letter to bank**
- **Risk to Citi may increase if Supreme Court guts abortion right**

A conservative Texas lawmaker warned Citigroup Inc. that it could be barred from underwriting municipal bonds and that company officers and employees could face criminal prosecution unless the bank backs off its policy to pay for workers to travel outside of Texas for an abortion.

Texas state representative Briscoe Cain, a Republican, said Friday he sent a cease-and-desist letter to Citigroup Global Markets Chief Executive Officer Jane Fraser. He also sent letters to leaders of some major non-profit organizations that have raised millions to pay travel costs for women seeking abortions outside Texas.

Citigroup instituted its new policy in reaction to a Texas law that forbids anyone from “aiding and abetting” an abortion after cardiac activity can be detected in the fetus. That usually occurs at around six weeks of pregnancy, before most women realize they’re pregnant.

Since Texas’s abortion ban took effect Sept. 1, abortions in the state have plunged roughly 60%, according to statistics provided by abortion advocates. However, women with access to time and resources have crossed state lines to reach clinics elsewhere. Abortion providers in adjacent states report being overwhelmed by Texas patients since the law took effect.

Cain currently lacks legal authority to carry out the actions he warns about in his letters, Josh Blackman, a professor at the South Texas College of Law, said in a phone interview. But if the U.S. Supreme Court overturns the legal precedent known as *Roe v. Wade*, which gives women a constitutional right to end an early-stage pregnancy, a 1974 Texas statute making it a felony to knowingly pay for an abortion will kick back in.

“That law has not been erased; it’s still on the books,” even though it has been unenforceable as long as *Roe* remains binding precedent, Blackman said. “But if the Supreme Court overturns *Roe*, any county DA can prosecute under it.”

“The risk to the bank isn’t particularly high right now,” Blackman added. But if *Roe* falls, “then we start going toward a risk of 9 or 10” on a scale of 10, he said.

While the specter of prison time may frighten bank executives, the risk to Citi’s muni bond portfolio is scarier. Cain warned he’ll introduce legislation in the next session barring Texas municipalities from doing “business with any company that pays the abortion-related expenses of its employees or that provides abortion coverage as an employee benefit.”

A spokeswoman for Citigroup didn’t immediately respond to a request for comment.

Citi is working on reviving its underwriting business in the state after a law barred local

governments from working with companies that discriminate against firearm entities prompted the firm to suspend its municipal-debt underwriting there for several months. It returned to the market in December.

Losing a bank's ability to underwrite Texas bonds "could put an entire entity at risk," Blackman said. "These are very risk-adverse entities, and they may not want to take that risk."

"Citigroup decided to pander the woke ideologues in its C-suite instead of obeying the laws of Texas," Cain said in a statement released along with copies of his letters. He accused Fraser of a "grotesque abuse of the fiduciary duty that you owe to the many shareholders of your company that oppose abortion" by using company funds to reimburse abortion travel costs.

Leaders of the Lilith Fund for Reproductive Equity, Frontera Fund, and Clinic Access Support Network were among several non-profits that were sent copies of Cain's cease-and-desist letters.

In the letters, the lawmaker vowed to introduce legislation in the coming session to empower county district attorneys anywhere in Texas to bring criminal charges that "ensure that you and your organization's employees, volunteers and donors are held accountable for every abortion that you illegally assisted."

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— *With assistance by Jennifer Surane*