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Attorney General Ken Paxton Sues BlackRock, State Street, and Vanguard for Illegally Conspiring to Manipulate Energy Markets, Driving Up Costs for Consumers

Attorney General Ken Paxton sued BlackRock, State Street Corporation, and Vanguard Group, three of the largest institutional investors in the world, for conspiring to artificially constrict the market for coal through anticompetitive trade practices.

Over several years, the three asset managers acquired substantial stockholdings in every significant publicly held coal producer in the United States, thereby gaining the power to control the policies of the coal companies. Using their combined influence over the coal market, the investment cartel collectively announced in 2021 their commitment to weaponize their shares to pressure the coal companies to accommodate “green energy” goals. To achieve this, the investment companies pushed to reduce coal output by more than half by 2030.

Blackrock, Vanguard, and State Street utilized the Climate Action 100 and the Net Zero Asset Managers Initiative to signal their mutual intent to reduce the output of thermal coal, which predictably increased the cost of electricity for Americans across the United States.

These firms also deceived thousands of investors who elected to invest in non-ESG funds to maximize their profits. Yet these funds pursued ESG strategies notwithstanding the defendants' representations to the contrary.

Deliberately and artificially constricting supply increased prices and enabled the investment companies to produce extraordinary revenue gains. This conspiracy violated multiple federal laws that prevent a major shareholder, or a group of shareholders, from using their shares to lessen competition or engaging in other anticompetitive schemes. Further, the companies broke Texas antitrust and deceptive trade practices laws.

“Texas will not tolerate the illegal weaponization of the financial industry in service of a destructive, politicized ‘environmental’ agenda. BlackRock, Vanguard, and State Street formed a cartel to rig the coal market, artificially reduce the energy supply, and raise prices,” said Attorney General Paxton. “Their conspiracy has harmed American energy production and hurt consumers. This is a stunning violation of State and federal law.”

A coalition of 10 other States joined Attorney General Paxton on the lawsuit. The Buzbee Law Firm and Cooper & Kirk are serving as outside counsel.

To read the filing, [click here](#).

[\(/sites/default/files/images/press/States%20v%20BlackRock%20Complaint%20Filed.pdf](/sites/default/files/images/press/States%20v%20BlackRock%20Complaint%20Filed.pdf)

[Back to Top](#)