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**To:** Interested Parties

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**Subject:** STOCK Act

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It is in the interest of all Americans that Congress ban its members from owning stock. While the STOCK Act that passed into law in 2012 barred the use of insider knowledge that Congress receives from being used to gain advantage in the stock market and requires the disclosure of all trades, scandal after scandal has shown that the scale of the problem is immense and intractable.

The STOCK Act's disclosure provisions have shown the inherent conflict of interest in members of Congress owning individual stocks and that its enforcement has been ineffectual. It's why Americans overwhelmingly oppose members of Congress trading, or even owning, individual stocks and support further reforms.

### **The Scale Of The Problem**

Banning members of Congress from trading stocks would at a minimum prevent the appearance of clear conflicts of interest. At a maximum it would stop Members from abusing the public's trust for personal financial gain.

In 2021, Congress traded up to \$489 million in stocks, in a total of 5,151 trades. That number is actually down from the previous year, owing mostly to the defeat of Sen. David Perdue, who accounted for roughly one third of Senate trades in 2020. In 2020, members of Congress conducted a total of 7,679 trades.

Tech stocks, in particular, dominate the individual stocks members of Congress are involved in, sparking concerns of a conflict of interest while Congress debates the role Big Tech plays in our society, particularly the role it plays in spreading misinformation and sowing distrust in our elections.

### Congress Traded Up To \$489 Million In Stock In 2021

Year	Chamber	Low Amount	High Amount	# Trades
2021	Congress	\$141,436,143	\$489,845,000	5151
2021	Senate	\$9,204,460	\$28,085,000	460
2021	House	\$132,231,683	\$461,760,000	4691
2020	Congress	\$151,460,679	\$567,935,000	7679
2020	House	\$59,159,315	\$229,570,000	1315
2020	Senate	\$92,301,364	\$338,365,000	6364

[CongressStockWatcher.com, accessed [3/08/22](#)]

### Tech Stocks Dominate The Top Ten Stocks In The Last Three Years

	Top Ten Stocks	Trades
1	Microsoft	501
2	Apple	428
3	Amazon.com	357
4	Alphabet	337
5	Meta Platforms	292
6	AT&T Inc	257
7	The Walt Disney Company	254
8	Berkshire Hathaway	226
9	Wells Fargo & Co	222
10	JPMorgan Chase & Co	214

[CapitolTrades.com, accessed [3/09/22](#)]

### Inherent Corruption

There have been many instances of members of Congress using their insider knowledge to line their own pockets. The COVID-19 pandemic, in particular, showed how House Representatives and Senators used

inside information to their advantage. Below are some of the most egregious examples of Members using their position to violate the STOCK Act with no consequences so far:

- Rep. Mike Kelly's congressional office learned that a steel works would receive federal help to stay open on April 28, 2020. The next day the Congressman's wife bought thousands of shares in the steel works' parent company, and would later sell the stock at more than triple its initial price. Rep. Kelly's case is being investigated by the Ethics Committee. [Pittsburgh Post-Gazette, [10/22/21](#)]
- Sen. Richard Burr attended a confidential briefing on the threat posed by the Coronavirus, and personally made the decision to sell \$1.6 million in stocks a week before the pandemic put the market into a crash. Worse, Burr called his brother-in-law Gerald Fauth, and the very next minute Fauth called his broker. Fauth sold up to \$280,000 in stocks, insulating himself from the impending market crash. Burr and Fauth are still being investigated by the SEC for insider trading. Burr voted against the original STOCK Act. [Propublica, [10/28/21](#); CNN, [10/28/21](#)]
- Sen. Rand Paul sits on the Senate HELP Committee and was briefed on COVID, and in the early days of the pandemic his wife bought shares in Gilead, which now works to treat COVID. This was Paul and his wife's only purchase of stock in a decade, and Sen. Paul violated the STOCK Act by refusing to disclose the purchase for sixteen months. An ethics complaint was filed against Sen. Paul over the matter. [Business Insider, [8/12/21](#)]

### **Americans Overwhelmingly Support A Ban On Stock Trading**

Recent polling from across the political spectrum has consistently shown a majority of voters supporting banning lawmakers from trading individual stocks.

- Data For Progress poll showed 67% of voters supported banning lawmakers from trading stocks; the number rose to 74% when voters were given cases for and against. [Business Insider, [1/18/22](#)]
- Morning Consult found 63% of voters supported a ban on stock trading for members of Congress, including 46% of independents strongly supporting a ban. [Morning Consult, [1/19/22](#)]
- Navigator Research found 71% of Americans favor limiting the ability of members of Congress to trade stocks. [Navigator, [2/01/22](#)]
- ALG on behalf of Campaign Legal Center found that 67% of voters supported banning lawmakers from holding stocks in specific companies. [Kedric Payne Op-Ed, Bloomberg Law, [11/23/21](#)]
- Trafalgar Group, a Republican pollster, noted 76% of voters thought members of Congress should be barred from trading stocks and have an unfair advantage. [Trafalgar Group, [undated](#)]

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