



Reforming congressional stock trading is a bipartisan issue, it's time to stop playing games and get it done

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Trust in the American federal government to do the right thing is at a dismal 24 percent, according to the Pew Research Center. Congress ranks even lower, with just 5% of Americans saying they have a “great deal” of confidence in the legislative branch.

And it's easy to see why. This year, it took us five months to pass the annual federal budget. Gridlock, polarization, and distrust in institutions are at an all-time high, and there's no easy fix.

However, there is one big issue that has a significant impact on public trust, which we could fix this year. That's member stock trading.

Over the past two years, several members of Congress have come under investigation for allegedly buying and selling stocks based on nonpublic information. In 2020, the Department of Justice and the Securities and Exchange Commission (SEC) opened several investigations into members for selling millions of dollars-worth of stock at the beginning of the COVID-19 pandemic, at a time when these members were privy to material nonpublic information about the potential economic impact of the pandemic. At least one of these investigations is currently ongoing.

More recently, in December of 2021, an investigation by Insider found that 57 members of Congress have violated the STOCK Act in recent years by failing to report trades within the mandated 45-day window. While the Department of Justice has not brought charges against any member, the public perception that members of Congress are using their privileged position for personal financial gain is widespread. A recent survey found that 76 percent of voters believe that lawmakers and their spouses have an unfair advantage in the stock market.

This is not a Republican problem, or a Democratic problem. It's a corruption problem—and there is an increasing chorus of members of Congress on both sides of the aisle who are calling for change, now!

I first introduced the Ban Conflicted Trading Act in March of 2020 to prohibit members from buying and selling individual stocks, and since that time, my legislation has been co-sponsored by 58 members of Congress, including three Republicans.

Recently, House Speaker Nancy Pelosi (D-Calif.) signaled her support for reforming member stock trading rules. And this January, House Republican Leader Kevin McCarthy (Calif.) proclaimed that if Republicans won control of the House of Representatives, they too would consider banning members of Congress from trading stocks.

I know that many of my Republican colleagues genuinely want to act on this issue, and this should be, by all accounts, a bipartisan issue.

But just as we get close to meaningful reform, Republican leadership is changing their tune. In a congressional hearing on member stock trading, scheduled for April 7, 2022, Republicans have chosen to call on the testimony of Jennifer Schulp, director of Financial Regulation Studies at the CATO Institute, who has astonishingly argued that insider trading is actually good for society, claiming that “prohibitions on insider trading already harm market efficiency.”

That’s right, instead of calling on a serious witness to address corruption, Republicans have decided on a witness who wants to end restrictions on insider trading altogether.

Kevin McCarthy claims that he would end insider trading in Congress, if only he were in power, but his caucus is calling on witnesses who believe that insider trading is actually good. Why should anyone believe that McCarthy would address the issue at all if he became Speaker?

Leader McCarthy should listen to the voters—including 78 percent of Republicans—who believe that Members of Congress should not be able to trade stocks while in office.

I call on my Republican colleagues to stop these partisan games and join me in prohibiting members of Congress from buying and selling individual stocks. It’s high time that we end this practice and restore American trust in elected leaders and our federal government.

We have a chance—now—to get this one thing right for the American people and ensure that public good, not personal profits, drives decision-making in the United States Capitol. Let’s get this done.