QUESTIONS FOR THE RECORD RESPONSES SUBMITTED TO THE HOUSE COMMITTEE HEARING ON ADMINISTRATION HEARING ON EXAMINING STOCK TRADING REFORMS FOR CONGRESS

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1. Why, in your view, is it important to include financial activity or transactions of covered officials' spouses and dependent children within the scope of any new restrictions on stock trading and ownership?

It is important for any new restrictions on stock trading and ownership to extend to cover members' spouses and dependent children because members must not be permitted to simply transfer their individual assets to a close family member to circumvent the law. A carve-out for spouses and dependent children would undermine much of the purpose of the legislation and allow the conflicts of interest that result from the ownership of individual assets to remain.

In addition, Congress has already determined that the financial entanglements of government officials' spouses and dependent children can create significant conflicts of interests. That's why the criminal conflict of interest statute codified in the Ethics in Government Act and applicable to executive branch employees, specifically includes the financial interests of the employees' spouse and minor children. While it remains problematic that Congress exempted themselves from this provision, 18 U.S.C. § 208, it would be wildly hypocritical for Congress to exempt their spouses and minor children from any reforms it considers now.
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2. Most of the introduced bills vary regarding what investments should be covered in a prohibition on trading and ownership and what should be exempted. Do you have specific policy recommendations for what specific types of covered investments should be included in any stock trading or ownership prohibition and what types of investments should be exempted?

Individual stocks, bonds, commodities, futures, and other similar financial instruments should be covered.

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3. Should the following types of financial interests be subject to restrictions on ownership and/or trading activity? Why or why not?

At the outset, we wish to stress that any legislation attempting to address the problems posed by members of Congress owning or trading individual financial interests should be based on the principle that public service is a public trust. That means that the single, overarching focus should be the public's right to know, with certainty, that the people they choose to represent them are acting on their behalf--and not in service of their own financial interests

With that in mind, we strongly believe that members of Congress should not be permitted to own or trade any financial interest that could create an actual conflict of interest, or the appearance of a conflict of interest, with the member's official duties. We strongly support the prohibitions in Sen. Warren and Rep. Jayapal's Bipartisan Ban on Congressional Stock Ownership Act, and Sen. Ossoff and Rep. Spanberger's Ban Congressional Stock Trading Act.

a. Cryptocurrency: Yes. Cryptocurrency poses the same, if not greater, risk of potential conflicts of interest than traditional securities given their volatility and the relationship between their value and the current legal and regulatory environment.
b. Initial coin offerings (ICOs): Yes. Members shouldn't be allowed to purchase cryptocurrencies.
c. Special purpose acquisition company (SPAC): Yes. Members shouldn't be allowed to invest in securities, including those issued by a SPAC as part of a merger or acquisition.
d. Real estate investment trust (REIT): Yes. Members shouldn't be allowed to invest in sector specific funds or trusts, including REITs.
e. Options/futures: Yes. Members should not be allowed to own financial interests that are functionally the same as securities, including those created via synthetic means.
f. Commodities: Yes. Members should not be allowed to invest in commodities as they create functionally the same conflict concerns as securities.
g. Privately or closely held companies: Yes. In most circumstances, members should not be allowed to own privately or closely held companies. However, we do support a limited exception for truly small businesses.
h. Bonds: Yes. Members should not be allowed to own bonds other than U.S. Treasuries.

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4. How should a reform proposal address holdings that covered officials may have in a privately held company that subsequently goes public?

Stock in a privately-held company that subsequently goes public should be treated no differently than other covered assets and should be divested within the timeframe mandated by Congress. We support a 180-day divestment period.

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5. The range and complexity of modern financial instruments and holdings posed challenges for the supervising ethics offices related to interpreting and enforcing the STOCK Act. In addition, new products and investment forms are constantly emerging, such as cryptocurrency and SPACs. What latitude should supervising ethics offices have to interpret the scope of covered investments, to grant extensions of time to comply with any new ownership and/or trading restrictions, or to consider and grant waivers?

The divestiture periods proposed in introduced bills range between 90 to 180 days for most securities, and up to five years for more complicated holdings. Given these timeframes, supervising ethics officials should be able to fully implement newly-mandated divestiture requirements within the legislative timeframes established by Congress, which are consistent with and in some cases more generous than those used by the Executive Branch**.**

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6. Some observers have focused on shortcomings with the existing statutory requirements for and features of qualified blind trusts (QBTs). For example, as you noted in your testimony, a filer knows what assets they put in a QBT at the time they create it, and current law requires the trustee to inform the covered official / trustor when an original trust asset is sold. You testified that, "qualified blind trusts could be a useful option if the member is required to effectuate the sale of all of the assets that would go into that trust beforehand."

    a. Would a requirement that the independent trustee dispose of any original trust assets within a certain period of time provide a meaningful improvement that could render QBTs a more effective and credible option than under current law? If so, do you have views about what deadlines for requiring sale of original trust assets might be reasonable?

Yes. Including such a requirement would result in the creation of a truly blind trust. In those circumstances, blind trusts pose no conflict of interest concern. We believe that 180 days following enactment or swearing in should provide a sufficient runway for the trustee to divest of the original assets.

b. Are there other ways that the law could be changed to make QBTs a more effective option for deterring financial conflicts of interest?

No. The QBT structure requires divestment to fully address financial conflicts of interest.

c. Is an '"informal" blind trust where a third party manages the investment portfolio of the member, and both the member and the trust manager attest under penalty of perjury that no information on trades will be exchanged a viable alternative?

No. It's unclear how this regime would be any different or better than the current rules barring insider trading.

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7. The hearing included discussion of the compliance costs associated with the creation and maintenance of a qualified blind trust and other impacts on filers. For example, Ranking Member Rodney Davis stated that he had been informed by a financial advisor that "most financial firms won't even take on a client for a blind trust unless they meet certain asset holdings and activity requirements." Ms. Schulp testified that, "Compliance costs for blind trusts tend to be substantial," and that it can take "multiple thousands of dollars to set one up."
   a. What is your understanding of the typical costs associated with establishing and maintaining a qualified blind trust? What is the typical range of costs for an attorney or other qualified professional to create such a trust? Once such a trust has been created, what is the typical range of annual costs for a trustee to administer the trust? For each, are these costs typically based on hourly or other similar basis, such as a percentage of the total assets managed in the trust?

Blind trusts are generally bespoke contractual arrangements, so it is hard to say with clarity what the "typical" costs would be to set one up. In theory, the cost to set up a blind trust could vary widely depending on the complexity of the trust agreement, for example. Expenses associated with trustees will also vary widely depending on the total amount of the trust's assets, the trading strategy, and whether the trustee chooses to charge a flat hourly rate or a rate related to some other metric.

b. What is your understanding of how common it is for financial firms or advisors to set minimum criteria for an individual's financial assets or financial activity to either create or manage a blind trust?

Neither I nor my colleagues at CREW have any insight into this question.

c. Ranking Member Davis also stated that, "these cost restrictions would put us in a situation where these perverse incentives might force members to engage in more market trading in order to meet blind-trust minimums and other requirements." What is your reaction to that statement?

I do not believe that this is correct. Divestment remains the simplest and easiest way for members and their families to comply with a ban on their ownership and sale or stocks and other similar commodities. Furthermore, for many members investment in diversified mutual funds or exchange traded funds (ETFs) may be a more practical and affordable alternative to blind trusts.

d. In general, members of Congress may not use official or principal campaign committee funds for personal purposes. However, they may use both types of funds to pay for certain expenses that are incurred because of their responsibilities or obligations that exist only because of their position as a federal officeholder. In the event that modified standards for deterring financial conflicts of interest for certain covered officials require covered officials in certain situations to establish qualified blind trusts, should those officials be permitted to use official funds to defray the costs of establishing or maintaining such trusts?

No. In no circumstance would a member be required to set up a blind trust as the member could always simply divest of their conflicting assets and reinvest the proceeds in diversified mutual funds or ETFs.

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8. The EIGA requires that a covered official who forms a QBT must receive the prior, formal approval of their supervising ethics office.
    a. If a reform proposal permits covered officials to retain ownership or certain assets within a QBT, but a covered official has not yet received approval from their supervising ethics office to establish a QBT and has therefore not been able to place the assets in the QBT, what should happen? Should a covered official who has formally submitted a request for approval of a proposed QBT be permitted an extension a decision is rendered by the supervising ethics office, should they be required to divest the asset(s), or something else?

In general, members should divest their assets if they aren't able to create a blind trust for whatever reason. If Congress decides to locate enforcement and management authority in the ethics committees, Congress must give the committees resources sufficient to complete their tasks within the statutory deadlines. It is hard to overstate how taxing this type of work would be on Committee staff without additional capacity. Because of that, we do not think that simply increasing funding will be sufficient for the ethics committees to take on this type of work.

b. If a supervising ethics office either declines to approve a covered official's request to establish a trust or determines that certain assets may not be placed in an approved QBT, but the covered official may no longer own those types of assets, how long should the covered official have to divest themselves of the asset?

We don't have a specific timeframe to suggest. To the extent Congress decides that it makes sense to allow the ethics committees to grant an extension for members to divest, we encourage you to keep the guiding principle--that public service is a public trust--in mind.

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9. At least one legislative proposal would require certain covered officials to completely divest certain covered assets within 180 days. How should such an approach address covered officials who have already gone above and beyond what the law requires of them today, by establishing and maintaining qualified blind trusts even though they are not required to do so, and who have therefore surrendered control over holdings in those trusts to an independent trustee? Should any reform proposal exclude qualified blind trusts approved by a covered official's supervising ethics office prior to a particular date?

Members with trusts that are truly blind should be grandfathered in as their trusts would not pose a conflict risk. However, members with trusts that are not blind should be required to amend the trust document to direct the trustee to divest any original trust asset or any asset of which the member has become aware.

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10. Beyond stock trading and ownership restrictions, what policy recommendations do you have to improve transparency, disclosure requirements and compliance with such requirements in the legislative branch?

The legislation must also include a penalty for violating these rules that is both clear enough that members understand precisely what will happen should they violate the law, and significant enough to serve as a comprehensive deterrent. As evidenced by recent stories of members trading on insider information, it is clear that current penalties are too low and that the "naming and shaming" of members in the media has not worked.

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11. Various legislative proposals would create new statutory prohibitions on covered officials' financial activity, which could include significant penalties for a covered official based on a financial transaction executed by a family member or on behalf of a family member by a third party. Are existing provisions that provide "safe harbor" to covered officials who seek and rely on advice and guidance from their supervising ethics offices sufficient? Should additional clarifications be made to provide adequate protection to covered officials

who act in reliance on such guidance? Would additional clarifications provide further incentive for covered officials to proactively seek and follow guidance from their supervising ethics office?

Existing provisions that provide "safe harbor" to covered officials who seek and rely on formal, written advice and guidance from their supervising ethics offices are limited and should not be expanded. There do not need to be additional protections to covered officials who act in reliance on such guidance. In practice, members and staff often call supervising ethics offices in hopes of getting approval for conduct that they argue is technically within the rules. Unless members receive explicit written guidance from the supervising ethics office on official letterhead and signed by the chair and ranking member, there should be no safe harbor.

If Congress changes ethics rules that will likely result in more formal requests for guidance. To meet this increased demand, they should also ensure that there is adequate funding to expand the House and Senate Ethics Committee staffs. If not, doing so will only lead to frustration by members and more potential violations. Under no circumstances should Congress consider relaxing the "safe harbor" provisions to allow members, their family members or third parties acting on their behalf to rely on verbal or emailed statements from ethics committee staff regarding any new statutory prohibitions on covered officials' financial activity. Doing so would inevitably lead to ethics committee staff feeling undue pressure to provide members or their families the advice that they want to hear, and undermine consistency.

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12. In some industries, certain individuals are required to disclose their intent to engage in financial transactions before a planned transaction. Ms. Schulp testified that ex ante disclosure by members of Congress regarding upcoming planned transactions may "have some effect" in affecting public appearance and questions of impropriety in trading activity, and that associated burdens on the covered official "should be lighter than a blind trust or a forced sale."

    a. What are your views on whether modifying the existing disclosure regime to require ex ante disclosure by covered officials would improve public confidence in the actions of their covered officials and mitigate concerns that such officials might be acting with the benefit of inside information?
    b. Could an ex ante financial transaction disclosure requirement complement other proposed reforms and provide covered officials with an additional option besides forming a qualified blind trust or divestiture?

Ex ante disclosure of sales would not solve the actual problem created by members owning and trading individual stocks and similar commodities – financial conflicts of interests. As the reporting by Business Insider and others has confirmed, a transparency based regime has not deterred trading and the conflicts of interests created as a result. In fact, members of both political parties have routinely failed to meet their reporting obligations; and there is no reason to believe that requiring reporting before a transaction will change that fact. As Professor Nagy testified, disclosure of conflicts without accountability will only further erode public faith in democracy. Ex ante disclosure once again places the burden on the public and the media to examine each members' financial disclosures and voice concerns in the hopes that corrective action is taken instead of placing the burden on members of Congress and their families to affirmatively avoid trades and other financial transactions that conflict with their taxpayer-funded jobs and constitutional duty.

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13. Ms. Hempowicz testified about current practice in the executive branch with respect to divestiture, and stated that "for the most part, most individuals going in, who are subject to very similar restrictions in the executive branch, choose to divest." Mr. Straus testified that in the executive branch, Designated Agency Ethics Officers have a range of options or remedies or tools to propose addressing a covered official's financial conflict of interest, including recusal, creation of a qualified blind trust, divestiture, and others.
    a. Does the Office of Government Ethics provide statistical information about the usage of these tools? For example, is data available about how many covered officials used each of those tools in a particular year?

Until approximately 2018, the Office of Government Ethics reported annually on the number of Executive Branch public financial disclosure filers who took specific remedial actions to address ethics issues based on a review of information reported on their new entrant, annual or termination reports, including divestiture, resignation from outside positions, written disqualification, 18 U.S.C. 208 waivers, reassignment, and other remedial actions. *See. e.g.*, OGE's CY16 Annual Agency Ethics Program Questionnaire Results, at 22 (Q. 54 - Q. 62).

Beginning in 2019, OGE's annual questionnaire summaries provide less detailed information, but still report on the number of 18 U.S.C. § 208 and Ethics Pledge waivers granted and the number of statements of negotiation or recusal under the STOCK Act submitted to agency ethics officials. *See, e.g.*, OGE's Results From the 2019 Annual Agency Ethics Program Questionnaire, at 6-7 (Q. 25 - Q. 26 and Q. 48 - Q.49). The House and Senate ethics committees should adopt similar transparent processes.

    b. What appeals or waiver options are available to an official in the executive branch for whom a DAEO recommends divestment of a particular holding?

The criminal conflict of interest statute, 18 U.S.C. § 208, which bars executive branch officials from participating in a particular matter that would affect their financial interests, includes provisions for individual waivers and regulatory waivers. OGE has issued regulatory waivers for *de minimis* financial holdings, diversified mutual funds and other financial interests that are deemed too remote or inconsequential to affect the integrity of the services provided by the official.

Individual waivers require prior consultation with OGE and may be granted only in limited circumstances if the individual's conflicting interests are not so substantial as to be deemed likely to affect the integrity of the services which the Government may expect from the official.

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14. Ms. Hempowicz testified that one approach with respect to divestiture for Members of Congress would be to follow the current system for executive branch officials with respect to the tax consequences for such divestitures, which "wouldn't give them a benefit and it wouldn't give them a tax penalty," and would simply, "maintain their status quo until after government service, and then they would have to pay whatever taxes they would have had to pay on those assets." Similarly, Professor Nagy testified that, "if someone sells assets, sells stock and other securities because they are ordered to do so, and they move that into a diversified mutual fund, the law should be written so that capital gains [tax] is deferred."

    a. If Congress were to mandate divestiture of all holdings in certain types of assets for certain covered officials – as opposed to the individualized review currently performed in the executive branch to assess whether divestiture is necessary, in which case a certificate of divestiture may be issued – would it make sense to provide similar tax treatment for all such mandated divestitures?

    Yes, we support a certificate of divestiture regime for Members of Congress.

    b. If a reform regime provides covered officials with a choice – e.g. requiring that for certain types of assets, covered officials either divest or place them in a qualified blind trust – would such tax treatment also be appropriate?

    Yes.

    c. Should such tax treatment be afforded to members-elect, such as after they receive a certificate of election, to provide additional time for newly elected members to divest applicable holdings before they are sworn in?

    Yes.

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15. With respect to spouses of covered officials who may receive compensation in the form of stock grants or options, you testified that "most of the proposals under consideration right now would allow for the spouses to be compensated in the way that their employers decide."

    a. In your view, should there be any restrictions for covered officials whose spouses receive compensation from business activity, such as by serving on a board of directors, in the form of stock options or grants? Or should spouses in such situations be permitted to continue receiving compensation in the form of stock, provided that it is publicly disclosed?

We support Congressional stock ban legislation that exempts stock, stock options and grants received as compensation from the primary occupation of a member's spouse. Any such compensation would continue to be subject to public reporting requirements.

b. Should the same answer apply in the case of a spouse who serves on the board of directors of multiple entities and receives compensation in the form of stock grants or options from multiple entities?

We support Congressional stock ban legislation that exempts stock, stock options and grants received as compensation from the primary occupation of a member's spouse. Because the exemption refers to the "primary occupation" of the spouse, it would not ordinarily apply to more than one entity.

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16. As shown at the hearing and in news reports, despite the existence of disclosure requirements, a number of covered officials have failed to comply with them. With respect to compliance and enforcement, Ms. Hempowicz testified that, "the high-level principles to consider with an enforcement mechanism" include that "any penalties would be meaningful, that it would be easy and simple to apply, and that the public can have confidence that it's being applied evenly across the board," and "there has to be some transparency there." Similarly, Ms. Schulp testified that, "It is worth examining whether the penalty framework is sufficiently deterrent and considering public reporting of delinquent disclosure."

a. What are reasonable additional penalties that Congress should consider that would promote compliance and provide a more meaningful penalty for violations?

There are a number of ways to increase penalties for violations of the STOCK Act. For example, Rep. Porter and Senator Gillibrand's STOCK Act 2.0 suggests enhancing the penalties for late filing periodic transaction reports. Additionally, should Congress pass stock ban legislation, we would support subjecting violators to a penalty equal to a percentage of the value of the asset or transaction, or a flat fee, whichever is greater.

b. What specific suggestions do you have for reforming the existing penalty framework?

We would support substantially increasing the penalties for late filing of PTRs to promote compliance. For example, if violators were subject to a penalty equal to a percentage of the value of the asset or transaction, they would have a great financial incentive to comply. It's clear that the current penalties are too low and that the "naming and shaming" of members in the media have not worked.

c. Should penalties be set at the same level for all violations, or should penalties be connected in some way to the dollar value of reportable items that were not reported in compliance with the law?

In the context of a stock ban, we would support tying the penalty to the size of the asset or the trade, or a flat base fee, whichever is higher. In the context of a STOCK Act violation, we would be open to tying the fine to the amount of the trades reported in the PTR, though we believe that a flat fee would likely be easier to administer.

d. Should the length of tardiness of an outstanding public disclosure required by the law be a factor in the size of the penalty?

Yes. We believe that a penalty that increases daily or weekly would be a significant deterrent for late filing of PTRs and other STOCK Act disclosures.

e. Should the size of the penalty be determined in part by the number of prior violations by a covered official?

We would be open to increasing penalties for repeat offenders.

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17. You testified that the ranges or intervals used for reporting various items – which can be large and even open-ended for the most substantial items – "could probably use a little bit of work." Under current law, a filer can report an asset, transaction, or liability as being worth more than $50 million, income associated with a particular asset as being worth more than $5 million, without having to provide any greater detail.

Although there is substantial room for improvement in the financial disclosure framework, we believe that Congress should give highest priority to establishing a Congressional stock ban that requires divestiture of stock, bonds and other covered securities since these holdings undermine public trust based on actual or apparent conflicts of interest and insider trading concerns.

That said, the current financial disclosure framework established under the Ethics in Government Act of 1978 ("EIGA"), 5 U.S.C. app. §§ 101-111, does not adequately address the dramatic increase in wealth experienced by many high-level government officials and the vehicles used to hold and transfer that wealth. For this reason, we have recommended amending EIGA to require filers to report:

- the value of all assets, transactions and liabilities that exceed $50 million to the nearest $100 million;
- the value of income that exceeds $5 million to the nearest $10 million; Note: This amendment would not affect the reporting requirement for specific types of income that must be reported exactly (e.g., salary income).
- for any LLC or other privately held business that is not divested, the identity and amounts received by the LLC or other privately held business from its major creditors, investors and customers; and
- for gifts that exceed $1,000 in value undertaken by the filer to comply with divestiture commitments, report on the periodic financial transaction report within 30 days of the transaction.

a. Do you have specific suggestions for adjusting the reporting intervals to provide greater transparency, particularly with regard to the largest items filers must disclose?

See answer to Q. 17 above.

b. At least one legislative proposal would require filers to provide an estimate, rounded to an appropriate nearest amount (e.g. nearest $10,000, $100,000, or $1,000,000). Would requiring filers to provide an estimated value for reportable items in the highest value, currently open-ended intervals, improve transparency?

In addition to the response provided to Q. 17(a) above, we support other Congressional efforts to enhance transparency, including estimates rounded to the nearest amount.

c. CREW, for one, has also previously identified in its work the fact that filers can use an open-ended interval that provides even less detail for assets, transactions, or liabilities which are solely owned or in the name of a filer's spouse or dependent child. For those items, a filer can report them as simply being worth more than $1 million – with no additional detail. What public policy purpose does this provision serve? Is it outdated? Should it be reformed?

To the extent that spouses are permitted to retain assets that give rise to conflicts of interest, there is a heightened need for greater transparency, which outweighs privacy interests that may have been used in the past to justify more limited disclosure requirements for spousal assets, liabilities and income.

d. What complications exist for requiring the exact dollar amount of a trade, if any?

A member's broker or financial advisor should be able to make readily available to him or her the exact dollar amount of any trade involving a publicly-held company. Nonpublic holdings may be more complicated depending on the nature and terms of how it was acquired and divested. Our experience shows that reporting capital gains is also not particularly problematic for public filers since capital gains are only required to be reported annually on May 15th, and can be easily obtained from the member's tax return, which is required to be filed on April 15th.

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18. Various proposals introduced to date include a wide range of effective dates, by which covered officials would be subject to new restrictions or requirements – whether those are divestment, creation of qualified blind trusts, or new limitations or prohibitions on certain types of financial activity.

    a. What is a reasonable range of possible effective dates for any of these types of new possible requirements?

In general we support an upper limit of 180 days for ensuring that members come into compliance. We would also be open to allowing the enforcing body to grant a limited number of short extensions to allow members to unwind complicated positions. Additionally, we would be open to allowing members additional time to unwind positions in certain complex investment vehicles.

    b. Does it make sense to provide for different effective dates for different requirements? For example, if a reform measure limits the types of transactions covered officials may engage in, would it make sense to provide an earlier effective date for prohibitions to engage in new purchases, while providing more time for covered officials to engage in sales transactions to divest of covered assets they already own, whether those divestments are voluntary or mandatory?

We believe that having multiple effective dates would add unnecessary complexity.

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19. Are there any officials in the legislative branch who do not currently file financial disclosures or other conflicts of interest disclosures who should do so in the future?

Reforms to the legislative branch financial disclosure process should focus primarily on members of Congress. Members are elected and have a constitutional duty to the public. Congressional staff are ultimately accountable to their employing member or office and can recuse when there is a conflict that interferes with their work or can be fired if they commit serious breaches of ethical guidelines. Rather than expanding who reports, Congress should expend resources to make member disclosures more transparent, accessible and user-friendly. Members of the media and public should be able to sort financial disclosure statements in a digital format by committee or by asset, etc. so that they can better understand how their members' financial entanglements compare to others or potentially intersect with issues they care about.

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20. Beyond stock trading and ownership restrictions, what policy recommendations do you have to improve transparency, disclosure requirements and compliance with such requirements in the legislative branch?

We believe that Rep. Porter and Sen. Gillibrand's STOCK Act 2.0 provides a number of useful policy options for increasing transparency and compliance. For example, we would strongly encourage Congress to require that all financial disclosures be submitted in a machine readable, searchable, and downloadable format.

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21. Some critics of imposing restrictions on stock trading and ownership on Congress argue that such restrictions would be a cumbersome financial burden, particularly for middle class Members of Congress, especially given the costs of establishing a qualified blind trust, and that reforms should focus on improving disclosure and transparency. They argue that Members of Congress who are not independently wealthy will be disadvantaged by such restrictions. What is your perspective on this argument?

This argument is not serious and should not be given any credence. There are many systemic barriers to members of the working class or middle class from serving in Congress. Placing restrictions on stock trading and ownership would not contribute to these barriers. While some argue that restrictions would be a cumbersome financial burden, those concerns ignore the fact that divestment from owning individual stocks and similar commodities is a simple and cost-effective compliance mechanism available to the overwhelming majority of members who hold these assets.

Members of Congress who are not independently wealthy are disadvantaged in lots of ways relative to their wealthier peers, but those have not and should not be an excuse to undermine ethics reform. For example, our campaign finance laws, overseen by this Committee, allow candidates to loan or spend unlimited amounts of their own funds to their political campaigns. Some members can afford to pay a private accountant to manage and fill out their financial disclosure statements. Many middle class members can't afford those services and prepare the documents themselves leading to more potential errors. The fact that some members can afford an accountant does not make the requirement to fill out financial disclosure statements unfair. There are always going to be more advantages for members who are wealthy as compared to their middle class peers. That should not and cannot be a reason for Congress to pass weaker ethical reforms than this moment demands.

The American public remains concerned that members are using their government roles to enrich themselves and that they are overseeing companies and industries where they have a significant financial stake. If using a qualified blind trust is an option for some members, investment in diversified mutual funds and ETFs or divestment remain options for members, middle class or wealthy. Congress should be focused on implementing the most significant ethical reforms it can. While concern about the collateral effects of such changes is important, including considerations of class disparities, those concerns are not apparent or valid here. Disclosure and transparency haven't worked and allowing the status quo to persist undermines the efficacy of Congress, public faith in the institution, AND would only serve to increase the class divide between wealthy and middle class members.