

The Honorable Nancy Pelosi
Speaker of the House of Representatives
235 Cannon House Office Building
Washington, D.C.
20515

The Honorable Chuck Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, D.C.
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August 2, 2022

Leader Schumer and Speaker Pelosi:

We, the undersigned organizations, are a broad and diverse group of good government organizations committed to ensuring that our institutions and elected officials act on behalf of the people they serve. It is with this purpose in mind that we write to urge you to move expeditiously to advance legislation prohibiting members of Congress from owning or trading individual stocks, bonds or other similar financial investments. We are at a critical juncture in our nation's history. The steady stream of revelations that members of Congress¹ have repeatedly flouted basic financial conflict of interest laws, have contributed to a precipitous decline in public trust in our institutions, which is now at the lowest level since Gallup began polling the questions in 1979.² We urge you to lead the way in passing these common sense, popular policies to ensure that members of Congress act in the interest of the people they serve, rather than their own financial interest.

Previously, our coalition wrote to you in March about Congress' crisis of institutional legitimacy.³ This crisis, we explained, is fueled by routine reports of members of both parties making suspicious stock trades and owning stock in companies that receive taxpayer money. These clear conflicts of interest undermine the public's perception of Congress, and contribute to a growing public sense that their government does not operate on their behalf. Since we wrote, this crisis has not abated.

We understand that, following months of negotiation, Congress has been making progress on compromise legislation to implement this overwhelmingly popular policy. We are optimistic that this legislation will include the three principle policies that we summarized in our March letter: first, that the legislation prohibits members of Congress from owning or trading any individual stocks or other similar financial assets, except widely held investment funds; second, that the legislation apply to members' spouses and

¹ Dave Levinthal, "66 members of Congress have violated a law designed to prevent insider trading and stop conflicts of interest," *Insider*, July 20, 2022, available at <https://www.businessinsider.com/congress-stock-act-violations-senate-house-trading-2021-9>.

² Jeffrey M. Jones, "Confidence in U.S. institutions down; Average at New Low," *Gallup*, Jul. 5, 2022, available at <https://news.gallup.com/poll/394283/confidence-institutions-down-average-new-low.aspx>.

³ Coalition Letter of March 28, 2022, available at <https://www.citizensforethics.org/wp-content/uploads/2022/03/Congressional-Stock-Ban-Sign-on-Letter-2022-5.pdf>.

dependent children; and third, that the legislation include a clear enforcement mechanism that will serve as a functional deterrent. We remain committed to working with members of both parties and from both chambers to finalize, introduce, and advance the legislation.

However, we fear that without your strong leadership and advocacy this critical good government reform will stall. The August recess and the November elections loom. Each day that passes increases the chance that Congress will not have time to take up and pass this legislation. That must not happen.

We would like to be entirely clear: this is not a problem that will go away as long as members are allowed to own or trade individual financial instruments. There will always be new reports of members who own stock in companies they regulate or to which they appropriate taxpayer dollars.⁴ Revelations that members unscrupulously purchased or sold stock in companies at deeply suspicious moments will continue as long as this goes unaddressed.⁵ And every new story will further erode public trust in our government and undermine Congress's legitimacy.

The American people widely support these policies across partisan lines,⁶ and are calling on Congress to act.⁷ Your colleagues have developed multiple strong proposals, and it appears likely that both chambers can produce a strong, bipartisan bill. Now, the future of this critical legislation hangs in the balance; and without your strong leadership it will likely fail. We urge you to publicly commit to bringing up a vote in early September to prohibit members of Congress, their spouses, and dependent children from owning or trading stocks. This cannot wait any longer – the American people deserve to know that the needs of the public, not members of Congress's stock portfolios, come first.

Kind regards,

⁴ See, e.g., Kimberly Leonard, "20 members of Congress personally invest in top weapons contractors that'll profit from the just-passed \$40 billion Ukraine aid package," *Business Insider*, May 19, 2022, available at <https://www.businessinsider.com/congress-war-profiteers-stock-lockheed-martin-raytheon-investment-2022-3>.

⁵ See, e.g., Dave Levinthal, "66 members of Congress have violated a law designed to prevent insider trading and stop conflicts of interest," *Insider*, July 20, 2022, <https://www.businessinsider.com/congress-stock-act-violations-senate-house-trading-2021-9>.

⁶ Republicans support prohibiting members of Congress from holding individual stocks by a 28 point margin, 55% to 27%, while Democrats support the policy by a 27 point margin, 50% to 23%, and Independents support a prohibition by a 29 point margin, 51% to 22%. See Jon Green and Mark White, "The Public Thinks Members of Congress Shouldn't Be Able to Own Individual Stocks," *Data for Progress*, Mar. 19, 2020, available at <https://www.dataforprogress.org/blog/2020/3/19/the-public-thinks-members-of-congress-shouldnt-be-able-to-own-in-dividual-stocks>.

⁷ 63% of all voters support a ban on members of Congress trading stocks, and 57% favor extending that prohibition to cover member spouses. See Claire Williams, "Most Voters of All Parties Support Congressional Stock Trading Restrictions," *Morning Consult*, Jan. 19, 2022, available at <https://morningconsult.com/2022/01/19/ban-stock-trading-congress-poll/>.

2020 Vision DC
Broward for Progress
Campaign Legal Center
Citizens for Responsibility and Ethics in Washington (CREW)
Clean Elections Texas
Conscious Resources
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Fix Democracy First
Government Accountability Project
Greenpeace USA
Indivisible
Issue One
MoveOn
March Forth
Organizers
P Street (PCCC)
Project On Government Oversight (POGO)
Public Citizen
Stand Up America