



CITIZENS FOR  
RESPONSIBILITY &  
ETHICS IN WASHINGTON

September 14, 2022

Dear Members of Congress:

Congress is mired in a crisis of institutional legitimacy, brought about in part by reports of members of both parties appearing to profit off their positions of public trust. This crisis of confidence threatens American democracy itself. Citizens for Responsibility and Ethics in Washington (CREW) writes today to encourage you to publicly support the recently-released bipartisan policy framework for prohibiting members of Congress and their spouses and dependent children from owning or trading individual stocks and other similar financial instruments.<sup>1</sup> This Framework, which contains all the policies that CREW has called for,<sup>2</sup> is precisely the bold and comprehensive response this crisis demands.

Our democracy is at an inflection point. Public trust in our institutions is at the lowest level since Gallup began polling the questions in 1979.<sup>3</sup> With members of Congress from both parties flouting basic financial conflict of interest laws, and appearing to personally profit off their positions of public trust, Americans are understandably questioning whether their government works on their behalf.

The recently released Bipartisan Framework would put an end to this facet of the crisis by making clear that members of Congress work first and foremost for the betterment of the American people. To do this, the Framework adopts all of the policies that CREW has called for including (1) a comprehensive ban on members of Congress, their spouses, and their dependent children owning or trading individual stocks, bonds, or other similar financial instruments; (2) a strong and clear enforcement mechanism that does not create an artificially high standard of intent; and (3) the option for members to own individual

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<sup>1</sup> Bipartisan Coalition Letter to House of Representatives Leadership, Sep. 1, 2022, *available at* <https://krishnamoorthi.house.gov/sites/krishnamoorthi.house.gov/files/2022.09.01%20Final%20Stock%20Trading%20Letter.pdf> (“Bipartisan Framework” or “the Framework”).

<sup>2</sup> *See, e.g.*, “Critical Elements of Final Congressional Stock Ban Legislation,” *CREW*, Feb. 16, 2022, *available at* <https://www.citizensforethics.org/wp-content/uploads/2022/02/CREWs-Congressional-Stock-Ban-Policy-Priorities.pdf>.

<sup>3</sup> 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>.



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securities following divestment via a truly blind trust.<sup>4</sup> Critically, the Framework also rejects any potential “gimmicks” and loopholes that would undercut the purpose of the legislation. If passed, it would ensure that no member of Congress would be put in a position to line their pockets at the expense of the people they serve.

We are particularly glad to see that the Framework takes the important step of banning stock ownership as well as stock trading. As CREW has repeatedly said, in public letters and in testimony to the Committee on House Administration, when members of Congress take votes that could impact the value of stocks they hold, they undermine confidence in our institutions as much as when they trade shares based on nonpublic information. CREW’s Senior Vice President and Chief Counsel Donald Sherman summarized this problem when he testified before the Committee on House Administration in March. As he explained, in 2020, at least 75 members of Congress owned shares in pharmaceutical companies such as Pfizer, Moderna, and Johnson & Johnson, that made COVID-19 vaccines, treatments, and tests—and at least 15 members of Congress who sat on House and Senate committees that oversee U.S. military policy had financial ties to defense contractors that were worth nearly \$1 million.<sup>5</sup> These members, he explained, were asked, repeatedly, to vote on legislation that had a direct impact on these companies’ share price—votes which create the inescapable impression that members are using their positions of power to line their own pockets. This is precisely why members must not be allowed to own individual stocks because if they do, the public will always be forced to question whose interests their elected representatives are truly serving. This is also why the legislation includes the option for members to own stocks through a *truly* blind trust: if members don’t know which stocks they own, they can never be sure whether a vote or an action they’re taking will hurt or help their portfolio. And that, in turn, will bolster American’s faith in their elected representatives.

Your colleagues have produced a Framework that is the result of years of thought and bipartisan advocacy. The policies, which CREW has called for and that the Framework has

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<sup>4</sup> “A Congressional stock trading ban needs teeth: 4 must-have provisions,” *CREW*, Feb. 16, 2022, [available at https://www.citizensforethics.org/reports-investigations/crew-reports/a-congressional-stock-trading-ban-needs-teeth-4-must-have-provisions/](https://www.citizensforethics.org/reports-investigations/crew-reports/a-congressional-stock-trading-ban-needs-teeth-4-must-have-provisions/); see also Banning Congressional Stock Ownership: Frequently Asked Questions, *CREW*, Apr. 19, 2022, [available at https://www.citizensforethics.org/news/analysis/banning-congressional-stock-ownership-frequently-asked-questions/](https://www.citizensforethics.org/news/analysis/banning-congressional-stock-ownership-frequently-asked-questions/); Committee on House Administration, Hearing on “Examining Stock Trading Reforms for Congress,” Mar. 16, 2022, (Testimony of Donald Sherman, Senior Vice President and Chief Counsel, *CREW*) [available at https://www.citizensforethics.org/wp-content/uploads/2022/04/Donald-Congressional-Stock-Ban-Testimony-DRAFT.pdf](https://www.citizensforethics.org/wp-content/uploads/2022/04/Donald-Congressional-Stock-Ban-Testimony-DRAFT.pdf); See also Civil Society 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](https://www.citizensforethics.org/wp-content/uploads/2022/03/Congressional-Stock-Ban-Sign-on-Letter-2022-5.pdf); and Civil Society Coalition Letter of August 2, 2022, [available at https://www.citizensforethics.org/wp-content/uploads/2022/08/Coalition-Letter-Stock-Ban-Legislation-August-2022.pdf](https://www.citizensforethics.org/wp-content/uploads/2022/08/Coalition-Letter-Stock-Ban-Legislation-August-2022.pdf).

<sup>5</sup> Testimony of Donald Sherman, *supra*.



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adopted, have broad bipartisan support.<sup>6</sup> The American people are calling on you to act, and will accept nothing less than a comprehensive ban like the one your colleagues have outlined.<sup>7</sup> We strongly encourage you to publicly support the Framework and commit to vote for final legislation that incorporates all its principles.

Kind regards,

A handwritten signature in blue ink, appearing to read "Noah Bookbinder". The signature is fluid and cursive, with a prominent "N" and "B".

Noah Bookbinder  
President  
Citizens for Responsibility and  
Ethics in Washington

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<sup>6</sup> 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>.

<sup>7</sup> 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/>.