Chairman Peters, Ranking Member Paul, and members of the Committee, thank you for the opportunity to submit testimony regarding the Ending Trading and Holdings in Congressional Stocks (ETHICS) Act.

My organization, Citizens for Responsibility and Ethics in Washington (CREW), is a nonpartisan nonprofit organization dedicated to fighting corruption and promoting ethical governance. In furtherance of this mission, CREW has for years called on Congress to pass legislation to ban members of Congress, their spouses and their dependent children from owning or trading individual stocks.1 Today’s markup represents a critical step forward in addressing the harms caused by congressional stock trading.

Congressional Stock Trading Undermines Ethics and Policy Making

When members of Congress own and trade individual securities, it undermines the critical work of the entire federal government. At the beginning of the pandemic, a moment when public confidence in our institutions of government was critical, Congress was rocked by a scandal involving concerns about members trading individual stocks as Congress was receiving non-public information about the threat of COVID-19.2 On March 19, 2020, ProPublica broke the news that Sen. Richard Burr (R-NC) had sold between $628,000 and $1.72 million in stock holdings in 33 separate transactions on February 13, 2020, two weeks before the U.S. markets had their worst week since the 2008 financial crisis.3 Two other senators, Dianne Feinstein (D-CA) and James Inhofe (R-OK), made trades that also drew scrutiny.4

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1 See CREW’s public statements, testimony, and letters.
Around the same time, other media outlets revealed that then-Sen. Kelly Loeffler (R-GA) and her spouse had sold up to $31 million of individual securities starting on January 24, 2020, the day after she received a confidential briefing on the novel coronavirus. In that period Loeffler and her spouse also purchased between $100,000 and $250,000 worth of shares of the technology company Citrix, which is primarily known for its teleworking software. Then-Sen. David Perdue (R-GA) also purchased shares in companies that stood to benefit from the pandemic, including, for example, up to $260,000 worth of shares of Pfizer between February 26 and 28, 2020, in the middle of the market downturn. Both senators were dogged by allegations of ethical misconduct and lost their bids for re-election less than a year later.

While these senators’ transactions were deeply problematic, as CREW explained in a letter to the Senate Select Committee on Ethics in May 2020, their impact was far greater than their legal and political fallout: they conveyed to the public the impression that their representatives were profiting off their positions. And in doing so, they diminished the public’s trust in their government and undermined the institutions tasked with responding to an unprecedented crisis of public health at the worst possible time.

Although these pandemic-related trades helped crystallize the threat of congressional stock trading in the American mind, recent revelations that members of both parties are continuing to profit off of their positions of trust have only heightened the need for Congress to address the threat of corruption head on and pass legislation banning congressional stock trading.

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8 Markay, Bredderman, and Brodey.
trading. In December 2023, CREW filed an ethics complaint against Rep. Mike Garcia (R-CA) after he sold thousands of dollars of Boeing stock while serving on the Transportation Committee which was investigating Boeing.\(^{12}\) A 2023 CREW analysis also revealed that ten senators own up to $1.2 million worth of stocks in Big Oil companies, with five of them sitting on committees tasked with environmental protection and oversight of agencies working to address climate change.\(^{13}\) Just last month, a Raw Story investigation indicated that at least 49 members of the 118th Congress may have violated an “insider trading and conflicts-of-interest law.”\(^{14}\)

The path to preventing these conflicts of interest and, in turn, improving the public’s trust in Congress is clear: we need strong, enforceable legislation that bans members of Congress from owning and trading individual stocks. We need to advance the ETHICS Act.

**The ETHICS Act**

The Ending Trading and Holdings in Congressional Stocks (ETHICS) Act, led by Senators Peters, Merkley, Hawley and Ossoff, is the culmination of years of policy work between dozens of senators and representatives, numerous committees, civil society groups and experts.

These years of collaboration have resulted in a comprehensive, bipartisan bill that fulfills three critical policy goals that CREW has long advocated for. First, the ETHICS Act prohibits members of Congress from owning or trading any individual stocks or other similar financial assets, with very limited exceptions for non-conflicting assets like registered diversified mutual funds. Second, it applies to members’ spouses and dependent children. And third, it includes a clear enforcement mechanism with penalties that will serve as a functional deterrent.

In addition to receiving strong bipartisan support from lawmakers, the ETHICS Act is endorsed by at least 18 civil society organizations.\(^{15}\)

**Conclusion**

The ETHICS Act is a comprehensive bipartisan solution to a problem that has long plagued Congress and the American public. We are grateful to the ETHICS Act sponsors for their leadership to get us to this point. Today, this committee has the opportunity to advance a

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\(^{13}\) Caitlin Moniz and Linnaea Honl-Stuenkel, Senators own up to $1.2 million in Big Oil stocks, CREW (Nov. 29, 2023), https://www.citizensforethics.org/reports-investigations/crew-investigations/senators-own-up-to-1-2-million-in-big-oil-stocks/.


widely popular\textsuperscript{16} policy that, if passed, will help ensure that members’ interests lie in the American public, and not in lining their pockets. We urge this Committee to seize that opportunity.

\textsuperscript{16} 86\% of the public support a ban on trading, including 87\% of Republicans, 88\% of Democrats 88\%, and 81\% of independents. https://publicconsultation.org/united-states/stock-trading-by-members-of-congress/.