

**Testimony Submitted for the Record  
Committee on House Administration  
Hearing on Taking Stock of the STOCK Act  
By Jason Powell, Policy Director  
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Chairman Steil, Ranking Member Morelle and members of the Committee, thank you for the opportunity to submit testimony regarding stock trading by members of Congress.

My organization, Citizens for Responsibility and Ethics in Washington (CREW), is a nonpartisan nonprofit organization dedicated to fighting corruption and promoting accountable, transparent and ethical governance. As part of this mission, CREW has long supported legislation that would bar congressional stock trading and eliminate problematic conflicts of interest. On a personal level, much of my career has been spent in the service of Congress as a staffer and counsel for multiple members and committees. Having proudly supported the vital work of this institution, and having frequently collaborated with members of Congress and staffers on both sides of the aisle, many of whom share my deep commitment to public service, I am grateful for the opportunity to provide input on this important topic to rebuild public confidence in our elected officials and Congress as an institution.

When members of Congress trade stocks, especially stocks of companies that they oversee or to which they appropriate taxpayer dollars, public trust in the government erodes and the legitimacy of the institution is questioned. Over many years, reporting has highlighted widespread stock trading by members of Congress in both parties which creates at least the appearance of impropriety, if not actual and significant conflicts of interest, across a wide range of areas related to congressional work.

This is an issue of bipartisan concern. At the onset of the COVID-19 pandemic, at least five senators made trades that raised fears that they were profiting off the information they received on the public health crisis.<sup>1</sup> In 2023, the New York Times reported that at least eight

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<sup>1</sup> Robert Faturechi & Derek Willis, *Senator Dumped Up to \$1.7 Million of Stock After Reassuring Public About Coronavirus Preparedness*, ProPublica (Mar. 19, 2020, 5:01 PM), <https://www.propublica.org/article/senator-dumped-up-to-1-7-million-of-stock-after-reassuring-public-about-coronavirus-preparedness>; Eric Lipton & Nicholas Fandos, *Senator Richard Burr Sold a Fortune in Stocks as G.O.P. Played Down Coronavirus Threat*, N.Y. Times (May 14, 2020), <https://www.nytimes.com/2020/03/19/us/politics/richard-burr-stocks-sold-coronavirus.html>; Aaron Blake, *How damning are Richard Burr's and Kelly Loeffler's coronavirus stock trades? Let's break it down.*, Wash. Post (Mar. 20, 2020), <https://www.washingtonpost.com/politics/2020/03/20/richard-burrs-kelly-loefflers-suspiciously-well-timed-stock-trades-during-coronavirus-examined/>; Christina Wilkie, *Two GOP senators face questions over stock sales ahead of the market's coronavirus slide*, CNBC (Mar. 20, 2020, 10:41 AM), <https://www.cnbc.com/2020/03/20/senators-face-questions-over-stock-sales-before-the-coronavirus-slide.html>; Stephanie Saul et al., *2,596 Trades in One Term: Inside Senator Perdue's Stock Portfolio*, N.Y. Times (Dec. 9, 2020), <https://www.nytimes.com/2020/12/02/us/politics/david-perdue-stock-trades.html>.

members of Congress or their close relatives sold bank stocks in conjunction with the banking crisis that began with the failure of Silicon Valley Bank.<sup>2</sup> Members have traded shares of defense companies at the center of matters of grave national importance.<sup>3</sup> This includes a member selling Boeing stock while on a committee investigating Boeing<sup>4</sup> and a senator purchasing a biotechnology company's stock just prior to an announcement of successful replacement blood vessel technology used to treat Ukrainian soldiers that sent its stock soaring.<sup>5</sup> I want to be very clear that CREW is not drawing any conclusion, nor implying, that the members of Congress involved in any of these trades acted improperly or with nefarious motives. However, the implications are clear regarding the potential public perception of whether members of Congress are acting in the public's interest, or being influenced by their own self-interest. It is not unreasonable for the public to question these types of stock trades.

In a study earlier this year, researchers from the UC San Diego Rady School of Management found that stock trading by members of Congress severely undermines trust in Congress across party lines regardless of whether members profited off their trades.<sup>6</sup> The study also found a link between this loss of trust and a decrease in the public's willingness to follow the laws that Congress passes.<sup>7</sup> Even if specific stock trades do not create an actual conflict of interest, Congress should find this data on the impact of congressional stock trading concerning and unacceptable.

The American public overwhelmingly supports banning congressional stock trading, with 86% in favor of such a ban, including 87% of Republicans, 88% of Democrats and 81% of independents.<sup>8</sup> Such wide-ranging bipartisan support is rare and highlights the importance of the issue, and the pervasive public sentiment regarding the need for such a ban. This bipartisan support is mirrored within Congress itself, with H.R. 5106, the Restore Trust in

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<sup>2</sup> Kate Kelly, *As Fears of Banking Crisis Surged, Members of Congress Sold Bank Shares*, N.Y. Times (Apr. 19, 2023), <https://www.nytimes.com/2023/04/19/us/politics/congress-stock-trading-banks.html>.

<sup>3</sup> Craig Holman & Savannah Wooten, *Lawmakers still benefitting from share trading in defense stocks*, Fed. Times (Apr. 2, 2024), <https://www.federaltimes.com/federal-oversight/congress/2024/04/01/lawmakers-still-benefitfrom-share-trading-in-defense-stocks/>.

<sup>4</sup> Roger Sollenberger, *GOP Rep. Mike Garcia Secretly Sold Boeing Stock Ahead of Damning Report*, Daily Beast (Dec. 13, 2023, 4:55 AM), <https://www.thedailybeast.com/gop-rep-mike-garcia-secretly-sold-boeing-stock-ahead-of-damning-report/>.

<sup>5</sup> Nick Reynolds, *Republican Senator's Stock Trade Linked to Ukraine War Raises Eyebrows*, Newsweek (Aug. 17, 2023, 5:16 PM), <https://www.newsweek.com/republican-senator-stock-trade-linked-russia-war-raises-eyebrows-1820658>.

<sup>6</sup> Raihan Alam & Tage S. Rai, *Knowledge of politician stock trading reduces congressional legitimacy and compliance with the law*, 122 PNAS (2025), <https://www.pnas.org/doi/pdf/10.1073/pnas.2501822122>.

<sup>7</sup> *Id.*

<sup>8</sup> Program for Public Consultation, *Ban on Stock Trading for Members of Congress Favored by Overwhelming Bipartisan Majority* (July 19, 2023), <https://publicconsultation.org/united-states/stock-trading-by-members-of-congress/>.

Congress Act, led by Reps. Chip Roy and Seth Magaziner, now joined by nearly 100 other members of the House across both parties.<sup>9</sup>

It is crucial that any legislation designed to ban congressional stock trading effectively addresses and prevents the issues that these trades raise. To that end, CREW, along with a broad coalition of other good government organizations, has identified five essential priorities that stock trade ban legislation ought to include:<sup>10</sup>

1. Establish a ban on both trading and owning individual stocks, bonds, digital assets or other securities, including coverage of private equity, venture capital and hedge funds, with very limited exceptions for diversified mutual funds, ETFs and index funds.
2. Cover members of Congress, their spouses and their dependent children.
3. Include provisions to ensure that any exception for a qualified blind trust is truly blind, meaning that the trustee must be directed to sell the beneficiary's individual stocks and sector funds so that the beneficiary does not have awareness of the underlying assets.
4. Include a clear and workable enforcement mechanism that can serve as a functional deterrent and does not require too high a bar for intent (such as the knowingly standard, which would make enforcement difficult).
5. Exclude any overly broad loopholes, including one that would allow members to invest in large, privately held companies.

One fact is clear: the existing disclosure and reporting requirements mandated by the STOCK Act are inadequate to prevent conflicts of interest and mitigate appearance issues. Routine failures to comply with the STOCK Act by members of both parties have contributed to the decrease in public confidence in Congress.<sup>11</sup> The suspicious trades, and potential conflicts, that have persisted despite the STOCK Act's reporting requirements and limited penalties demonstrate the critical need for reform that includes these priorities.<sup>12</sup> The STOCK Act is not sufficiently inclusive, and history has demonstrated that it is too easy to

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<sup>9</sup> Ben Werschkul, *After weekend scandal at the Fed, Congress will look at its own stock trading in the days ahead*, Yahoo (Nov. 17, 2025, 9:48 AM), <https://finance.yahoo.com/news/after-weekend-scandal-at-the-fed-congress-will-look-at-its-own-stock-trading-in-the-days-ahead-144806971.html>; Library of Congress, *H.R.5106 - Restore Trust in Congress Act*, <https://www.congress.gov/bill/119th-congress/house-bill/5106/cosponsors> (last visited Nov. 18, 2025).

<sup>10</sup> CREW, *CREW, 10 groups call on House to support bipartisan ban on congressional stock trading* (June 5, 2025), <https://www.citizensforethics.org/wp-content/uploads/2025/06/Cong.-stock-ban-letter-June-2025.pdf>.

<sup>11</sup> See Alexandria Jacobson, *Busted: 62 members of Congress caught breaking the law*, Raw Story (Sept. 30, 2024, 5:12 PM), <https://www.rawstory.com/congress-stock/>.

<sup>12</sup> See Danielle Caputo et al., *The STOCK Act: The Failed Effort to Stop Insider Trading in Congress*, Campaign Legal Center (Feb. 18, 2022), <https://campaignlegal.org/update/stock-act-failed-effort-stop-insider-trading-congress>.

avoid compliance, even inadvertently, in the absence of a more clear, bright-line, ban on stock trading, and in the absence of more meaningful enforcement and penalties.<sup>13</sup> New legislation is needed to effectively address the issue, and that legislation must be comprehensive.

House members of both parties, including Reps. Roy and Magaziner, and Reps. Brian Fitzpatrick, Alexandria Ocasio-Cortez, Tim Burchett, Raja Krishnamoorthi, Anna Paulina Luna, Pramila Jayapal and Joe Neguse, among others, have done laudable work in developing legislative solutions to address congressional stock trading. CREW is proud to have worked with, and offered input to, many of those members. As a result of multiple years of policy development and bipartisan cooperation between numerous members of Congress and civil society groups and experts, this Congress saw the introduction of the Restore Trust in Congress Act. This legislation includes all of the priorities that CREW views as essential. The Act not only bans trading and owning individual stocks, it also requires divestments from qualified blind trusts, which may not always completely mitigate conflicts of interest.<sup>14</sup> The legislation covers members, spouses and dependent children and establishes violations for owning or trading covered investments. These violations would be enforced by the supervising ethics office and the penalty for a violation is equal to 10% of the value of each covered investment and disgorgement of profits from any violating transaction.<sup>15</sup> Importantly, there is no intent requirement to establish a violation, which would risk making enforcement nearly impossible.

For years, CREW has championed the effort to ban congressional stock trading in order to ensure that public officials serve the interest of the public and rejuvenate faith in Congress as an institution. This hearing represents a significant step forward, but more progress is possible. The time is now to pass the Restore Trust in Congress Act to ban congressional stock trading and finally address this critical issue. There appears to be bipartisan and bicameral support for a ban among congressional leaders,<sup>16</sup> as well as support from the president.<sup>17</sup> We urge this committee to act immediately to seize this opportunity for reform.

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<sup>13</sup> See *id.*; Jacobson *supra* note 11.

<sup>14</sup> See CREW, *Banning Congressional stock ownership: Frequently Asked Questions* (Apr. 19, 2022), <https://www.citizensforethics.org/news/analysis/banning-congressional-stock-ownership-frequently-asked-questions/>.

<sup>15</sup> Restore Trust in Congress Act, H.R. 5106, 119th Cong. (2025).

<sup>16</sup> Justin Papp, *Speaker Johnson backs congressional stock ban, cites 'a few bad actors'*, Roll Call (May 14, 2025, 1:43 PM), <https://rollcall.com/2025/05/14/speaker-johnson-backs-congressional-stock-ban-cites-a-few-bad-actors/>.

<sup>17</sup> TIME, *Read the Full Transcript of Donald Trump's '100 Days' Interview With TIME* (Apr. 25, 2025, 6:01 AM), <https://time.com/7280114/donald-trump-2025-interview-transcript/>.