January 28, 2022

The Honorable Charles Schumer  
Majority Leader  
United States Senate  
322 Hart Senate Office Building  
Washington, DC 20510

The Honorable Mitch McConnell  
Minority Leader  
United States Senate  
317 Russell Senate Office Building  
Washington, DC 20510

Majority Leader Schumer and Minority Leader McConnell:

We, the undersigned organizations, are a broad and ideologically diverse coalition of groups, all concerned with the issue of congressional stock trading and the negative effects this practice has on public trust and the integrity of the legislative process. We write to you today to urge you to take swift action to enact legislation that would address this problem: the Ban Congressional Stock Trading Act (S. 3494).1

Recent revelations about stock trades at the outset of the COVID-19 pandemic and economic downturn,2 increasingly prevalent violations of the STOCK Act’s reporting requirements,3 and investigations and even convictions of Members of Congress pertaining to insider trading have all served to galvanize public interest and media scrutiny around real and perceived corruption in Congress.4

To their credit, many Members of Congress have responded by introducing bills that would create new legal restrictions on congressional stock trading, ranging from requiring blind trusts to outright bans on stock ownership.5 Some Members of Congress have also opted to voluntarily refrain from trading

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individual stocks or have placed their stocks and other assets into blind trusts.⁶ But voluntary anti-corruption measures are far from sufficient, as recent events have clearly shown. We are calling for the passage of S. 3494 because it is the proposal that strikes the best balance in terms of preventing insider trading while also providing meaningful transparency that will allow for the continued monitoring of potential conflicts of interest.

S. 3494 would require all Members of Congress to place stocks and other assets into qualified blind trusts for the duration of their time in office. Importantly, these requirements would also apply to the spouses and dependent children of Members of Congress, closing off a potential loophole in the law. Another especially noteworthy provision of S. 3494 is its requirement of additional transparency about notifications that the trustees of blind trusts must provide beneficiaries when they sell off assets that were initially placed into the blind trust. Visibility into this specific process is crucial to ensuring that the public knows when stocks and other assets, which could be sources of conflicts of interest, are no longer in the blind trust. Additionally, S. 3494 provides for enhanced transparency around the documentation associated with the establishment and management of qualified blind trusts and imposes strong penalties for violations of the law. In our view, this bill takes a pragmatic, reasonable, and actionable approach to the problem created by real and perceived insider trading in Congress.

By large majorities, the American people have made it clear that they do not support Members of Congress trading stocks, and they want Congress to do something about it.⁷ This view cuts across partisan affiliation, so it is encouraging to see this issue garner rare bipartisan support in Congress.⁸ The public needs to know that Congress recognizes the issue of insider trading as a problem that undermines its own legitimacy and erodes the trust of voters.

The good news is that Congress is able to respond to this concern in a meaningful way by advancing S. 3494 and sending it to President Biden’s desk for his signature. Thank you for your attention to this matter and for your subsequent action toward passing this critical legislation.

Sincerely,

Campaign Legal Center
Citizens for Responsibility and Ethics in Washington (CREW)
Fix the Court
FreedomWorks
Government Accountability Project
Issue One
National Center for Health Research


National Taxpayers Union
Progressive Change Campaign Committee
Project On Government Oversight
Public Citizen
Taxpayers for Common Sense
The Digital Democracy Project
Transparency International — U.S. Office