The Problem

Recent reports that call into question the impartiality of federal judges and the integrity of their rulings fundamentally undermine the legitimacy of the judicial branch. That legitimacy relies on the bedrock assumption of impartiality and the highest ethical conduct on the part of federal judges. These assumptions are key to public trust, from which the courts derive their power.

It is especially troubling when financial conflicts of interest undermine trust in the courts. These specific kinds of ethics problems strike at the heart of one of the most important decisions a federal judge must make: Can they be a neutral arbiter in a case, or should they recuse themselves? Fallout from some recent revelations shows exactly how consequential incorrect recusal decisions can be, both in the administrative burdens associated with potentially reopening decided cases and in the broader reputational damage to the judiciary.

The Solution

Increasing transparency will make it easier to hold judges accountable and strengthen both judicial integrity and public confidence. While enhancing transparency in the federal courts is a long-term, multifaceted effort that requires comprehensive reform, there are meaningful, practical steps that Congress can take in the short term. These will at least help mitigate the pernicious problem of financial conflicts of interest in the courts and the erosion of public trust that flows from those conflicts.

Some of the most consequential transparency challenges plaguing the judiciary can be addressed by simply requiring federal judges to comply with the same financial disclosure requirements that already exist for members of Congress and executive branch officials. The bipartisan, bicameral Courthouse Ethics and Transparency Act (H.R. 5720; S. 3059) is exactly that kind of modest but important reform.

The Courthouse Ethics and Transparency Act would

- Create additional transparency for financial disclosures already required of judges under the Ethics in Government Act by requiring that all such reports be made available on a centralized website. This will allow more access and insight into potential financial conflicts that may merit recusals or other corrective action.
- Create parity between the judiciary and the other branches of government in terms of specific reporting requirements under the Stop Trading on Congressional Knowledge (STOCK) Act, aimed at deterring insider trading and providing real-time visibility into financial transactions, such as stock trades, made by federal judges.

It is important to note that the security of federal judges will not change in any significant way by enacting these modest transparency reforms. Pursuant to the law governing financial
disclosures, certain sensitive information may be omitted or redacted from financial disclosure documents if such information is deemed a potential security risk by the Judicial Conference and the U.S. Marshals. The Courthouse Ethics and Transparency Act would not change those exemptions.

Additional Context

- The Courthouse Ethics and Transparency Act enjoys bipartisan, bicameral support.
  - **H.R. 5720**: Current cosponsors are Representatives Deborah Ross (D-NC), Darrell Issa (R-CA), Hank Johnson (D-GA), Jerry Nadler (D-NY), Chip Roy (R-TX), Sheila Jackson Lee (D-TX), and Ralph Norman (R-SC).
  - **S. 3059**: Current cosponsors are Senators John Cornyn (R-TX), Chris Coons (D-DE), John Kennedy (R-LA), Sheldon Whitehouse (D-RI), Chuck Grassley (R-IA), Dick Durbin (D-IL), Ted Cruz (R-TX), and Jon Ossoff (D-GA).
- The House Judiciary Committee’s Subcommittee on Courts, Intellectual Property, and the Internet held a hearing on this issue on October 26, 2021.
  - POGO’s written testimony from the hearing, “Increasing Transparency and Accountability in the Judicial Branch,” is available online.

Contacts

Dylan Hedtler-Gaudette, Government Affairs Manager: (207) 756-0274 or dylanhg@pogo.org