

# TAKING STOCK OF THE STOCK ACT

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## HEARING

BEFORE THE

## COMMITTEE ON HOUSE ADMINISTRATION

## HOUSE OF REPRESENTATIVES

ONE HUNDRED NINETEENTH CONGRESS

FIRST SESSION

NOVEMBER 19, 2025

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## TAKING STOCK OF THE STOCK ACT

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November 19, 2025

COMMITTEE ON HOUSE ADMINISTRATION,  
HOUSE OF REPRESENTATIVES,  
*Washington, D.C.*

The Committee met, pursuant to notice, at 10:05 a.m., in room 1310, Longworth House Office Building, Hon. Bryan Steil [Chairman of the Committee] presiding.

Present: Representatives Steil, Griffith, Murphy, Bice, Carey, Lee, Miller, Morelle, Sewell, Torres, and Johnson.

Staff present: Mike Platt, Staff Director; Rachel Collins, General Counsel; Abby Salter, Deputy General Counsel; Jordan Wilson, Director of Member Services; Kristen Monterroso, Director of Operations; Annemarie Cake, Professional Staff and Deputy Clerk; Jamie Fleet, Minority Staff Director; Khalil Abboud, Minority Deputy Staff Director; Matt Schlesinger, Minority Senior Counsel; Nikolas Youngsmith, Minority Elections Counsel; Sarah Nasta, Minority Elections Counsel; and Owen Reilly, Minority Professional Staff.

### **OPENING STATEMENT OF HON. BRYAN STEIL, CHAIRMAN OF THE COMMITTEE ON HOUSE ADMINISTRATION, A U.S. REPRESENTATIVE FROM WISCONSIN**

Chairman STEIL. The Committee on House Administration will come to order.

The title of today's hearing is "Taking stock of the STOCK Act."

I note that a quorum is present. Without objection, the chair may declare a recess at any time.

Also, without objection, the hearing record will remain open for 5 legislative days so Members may submit any materials they wish to be included therein.

Thank you, Ranking Member Morelle, Members of the Committee, and our witnesses, for participating in today's hearing.

Today, the Committee on House Administration continues our oversight over the legislative branch.

And let me be clear from the outset: Trading stock on insider information is a serious crime and must be prosecuted to the fullest extent of the law. As Chairman of the Committee on House Administration, I believe it is critical that we ensure lawmakers, regardless of party, regardless of seniority, are not profiting from insider information they learn while working on Capitol Hill.

In recent years, social media accounts have generated significant media attention for aggregating the stock trades of Members of Congress. Understandably, it has fueled public concern that law-

makers may be using their positions of authority to personally benefit themselves.

While rules already govern how public officials trade stocks, stronger restrictions may be necessary to restore public trust and ensure officials are not profiting from their positions.

In today's hearing, we will look at the issue of congressional stock trading at large, including current rules, and evaluate proposed reforms.

The current statute governing congressional stock trading, the Stop Trading on Congressional Knowledge, or the STOCK Act, was passed over a decade ago in 2012 with bipartisan support.

Under the STOCK Act, Members of Congress, executive branch officials, and other Federal employees are prohibited from using non-public information for their own financial benefit. It also requires disclosure of stock trades exceeding \$1,000 within 45 days of the transaction.

Many Americans have been critical of the STOCK Act for not requiring sufficient transparency. For example, the current financial disclosures and periodic transaction report requirements are not filed in exact amounts. Because of this, you cannot determine a lawmaker's actual realized profit or loss on a specific trade.

Some potential reforms include updating the STOCK Act reporting and enforcement requirements, requiring advance disclosures, and outright banning of individual ownership of individual stocks.

I want to thank a number of our colleagues for proposing various reforms to address this issue. Chip Roy, Seth Magaziner, Brian Fitzpatrick, Tim Burchett, Mark Alford, and Representative Anna Paulina Luna all come to mind. They have introduced or cosponsored pieces of legislation to strengthen the STOCK Act.

The bills propose different reforms, but the prevailing theme is significantly restricting or outright banning Members' spouses or their dependent children from owning or trading stocks or other securities.

I believe we have an opportunity here to make meaningful reforms and restore the public's trust. The American people should be confident that lawmakers are working for them, not seeking office to financially benefit themselves.

I want to thank our witnesses for being here today. I think we have a great opportunity.

Again, I am going to state my goal. My goal is, I think, pretty simple: to ensure that no lawmaker is profiting off of insider information while serving in the U.S. Congress.

With that, I will yield to the Ranking Member, Mr. Morelle, for his opening statement.

[The prepared statement of Chairman Steil follows:]

**PREPARED STATEMENT OF CHAIRMAN OF THE COMMITTEE  
ON HOUSE ADMINISTRATION BRYAN STEIL**

Today, the Committee on House Administration continues its oversight of the legislative branch. Let me be clear from the outset: trading stocks on insider information is a serious crime, and must be prosecuted to the fullest extent of the law. As Chairman of the Committee on House Administration, I believe it is critical that we ensure no lawmaker, regardless of party or seniority, is profiting from insider information.

In recent years, social media accounts have generated significant media attention for aggregating the stock trades of Members of Congress. Understandably, this has fueled public concern that lawmakers may be using their positions of authority to personally benefit themselves. While rules already govern how public officials trade stocks, stronger restrictions may be necessary to restore public trust and ensure officials are not profiting from their positions.

In today's hearing, we will look at the issue of congressional stock trading at large, including current rules, and evaluate proposed reforms. The current statute governing congressional stock trading, the Stop Trading on Congressional Knowledge, or STOCK Act, was passed over a decade ago in 2012 with bipartisan support.

Under the STOCK Act, Members of Congress, executive branch officials, and other Federal employees are prohibited from using non-public information for their own financial benefit. It also requires the disclosure of stock trades exceeding \$1,000 within 45 days of the transaction. The American people have been critical of the STOCK Act for not requiring sufficient transparency. For example, the current financial disclosure and periodic transaction report requirements are not exact amounts. Because of this, you cannot determine a lawmaker's actual realized profit or loss on a specific trade. Some potential reforms include updating the STOCK Act's reporting and enforcement requirements, requiring advanced disclosures, and outright banning the ownership of individual stocks. I want to thank a number of our colleagues for proposing various reforms to address this issue.

Representatives Chip Roy, Seth Magaziner, Brian Fitzpatrick, Tim Burchett, Mark Alford, along with many others, including Representative Luna who is with us today, have all introduced or cosponsored pieces of legislation to strengthen the STOCK Act. The bills propose different reforms, but the prevailing theme is significantly restricting or outright banning Members, spouses, and their dependent children from owning or trading stocks or other securities. I believe we have an opportunity here to make meaningful reforms and restore the public's trust.

The American people should be confident that lawmakers are working for them—not seeking office to financially benefit themselves. I will state again: my goal is to ensure no lawmaker is profiting from insider information.

**OPENING STATEMENT OF HON. JOSEPH MORELLE, RANKING  
MEMBER OF THE COMMITTEE ON HOUSE ADMINISTRATION,  
A U.S. REPRESENTATIVE FROM NEW YORK**

Mr. MORELLE. Thank you, Mr. Chairman, my good friend, for calling this important hearing.

And thank you to our witnesses for appearing before us today.

Let me say at the outset, I unequivocally support a ban on Members of Congress trading individual stocks, and that ban should extend to the co-equal branches of Government as well. The oath we take as Members swears fidelity to the Constitution and the rule of law over personal gain or financial benefit.

The Founding Fathers recognized the danger of self-enrichment by those in power. Sick of the unchecked corruption that was a feature of the monarchies of the time, James Madison warned against the bias in judgment that can cause the pursuit of personal gain to supersede that of the common good.

In this moment, confidence in our Government is abysmally low. Fostering public trust in our institutions is the absolute bedrock of the American experiment. It is what gives our Government legitimacy. That trust must be earned and kept by holding ourselves to the highest standard of conduct possible. Even the mere appearance of impropriety is unacceptable and cannot be tolerated.

For years, my dear friend and predecessor, Representative Louise Slaughter, worked tirelessly on the Stop Trading on Congressional Knowledge Act referenced by my friend, the chair. The STOCK Act was signed into law 13 years ago, and though it enacted much-needed reforms to enhance disclosure requirements and explicitly

prohibit insider trading by Government officials, there is much, much more to do.

And my good friend Louise would be astonished at the corruption happening today. Regrettable, those reforms are now just Band-Aids to a gaping, festering wound. We must find a cure to this ailment. The American people are demanding as much, and many of my colleagues agree. Look no further than the panoply of bills introduced this Congress alone for evidence of that.

I want to commend those of our colleagues who, in a bicameral and bipartisan fashion, have put an extraordinary amount of thought and work into the varied legislative proposals designed to combat this scourge.

We need a thoughtful approach to this problem, one that is comprehensive, effective, and, most importantly, enforceable.

Americans are struggling with an already high cost of living that is rising each day. Everyday Americans are forced to pay the costs of the corruption in our Government. They are being forced into the barbaric choice of paying their rent or their health insurance premiums, to decide whether to put food on the table or gas in their cars to get to work. Every day, they are paying more and getting less.

It is obscene that any Member would take the votes of those very people to get to Washington and, once here, use the power of their office not to represent their constituents' interests but to get rich—or, worse, to vote for a bill that would deny desperately needed relief for suffering people, then turn around and sell a stock that would be devalued by that vote, which is exactly what we saw happen after Republicans jammed through draconian cuts to Medicaid earlier this year.

All over Washington, from the White House to the Supreme Court, corruption and self-dealing are a persistent problem.

Later today, Chairman Steil and I will lead an effort to strip from the recent funding bill a provision that would have allowed a select group of Senators to exact from the Department of Justice millions of dollars because they were reasonable persons of interest in a legitimate investigation by the Justice Department.

The executive and judicial branches are certainly not immune to it. Internal codes of conduct that are, at best, mere suggestions and, at worst, blatantly ignored are not enough. Any policy solution should seek to address the outrageous behavior we are seeing at the Supreme Court and in the executive branch.

It has been 1,322 days since this Committee looked at this topic. Since then, new opportunities for pernicious behavior have emerged, such as pump-and-dump schemes for unregulated meme coins and cryptocurrencies endorsed by Federal officials that get them rich and leave others holding the bag, shady foreign real estate deals that happen far outside of the watchful eyes of this Congress, and incomprehensibly lavish trips and gifts in exchange for favorable and lucrative decisions.

The list grows by the day, as the enforcement of existing laws and the fundamental principle of checks and balances is eroded.

If the legitimacy of our representative Government dies on our watch, we will have only ourselves to blame. I do hope today's proceedings bring to bear the changes our Government needs, that our

constituents so desperately want, and, frankly, that we owe to them.

I want to again thank the chair and thank my colleagues and certainly thank the witnesses for being here, and I yield back.

[The prepared statement of Ranking Member Morelle follows:]

**PREPARED STATEMENT OF RANKING MEMBER OF THE  
COMMITTEE ON HOUSE ADMINISTRATION JOSEPH MORELLE**

The Founding Fathers recognized the danger of self enrichment by those in power. Sick of the unchecked corruption that was a feature of the monarchies of the time, James Madison warned against the bias in judgment that can cause the pursuit of personal gain to supersede that of the common good.

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For years, my dear friend and predecessor, Representative Louise Slaughter, worked tirelessly on the Stop Trading on Congressional Knowledge Act referenced by my friend, the chair. The STOCK Act was signed into law 13 years ago, and though it enacted much needed reforms to enhance disclosure requirements and explicitly prohibit insider trading by Government officials, there is much, much more to do. And my good friend Louise would be astonished at the corruption happening today. Regrettably, those reforms are now just Band Aids to a gaping, festering wound. We must find a cure to this ailment. The American people are demanding as much, and many of my colleagues agree. Look no further than the panoply of bills introduced this Congress alone for evidence of that.

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Later today, Chairman Steil and I will lead an effort to strip from the recent funding bill a provision that would have allowed a select group of Senators to exact from the Department of Justice millions of dollars because they were reasonable persons of interest in a legitimate investigation by the Justice Department.

The executive and judicial branches are certainly not immune to it. Internal codes of conduct that are, at best, mere suggestions and, at worst, blatantly ignored are not enough. Any policy solution should seek to address the outrageous behavior we are seeing at the Supreme Court and in the executive branch.

It has been 1,322 days since this Committee looked at this topic. Since then, new opportunities for pernicious behavior have emerged, such as pump and dump schemes for unregulated meme coins and cryptocurrencies endorsed by Federal officials that get them rich and leave others holding the bag, shady foreign real estate deals that happen far outside of the watchful eyes of this Congress, and incomprehensibly lavish trips and gifts in exchange for favorable and lucrative decisions.

The list grows by the day, as the enforcement of existing laws and the fundamental principle of checks and balances is eroded. If the legitimacy of our representative Government dies on our watch, we will have only ourselves to blame. I do hope today's proceedings bring to bear the changes our Government needs, that our constituents so desperately want, and, frankly, that we owe to them.

Chairman STEIL. I thank my colleague.

Without objection, all other Members' opening statements will be made part of the hearing record if they are submitted to the Committee clerk by 5 p.m. today.

We will now turn to our witness testimony, and we have three great witnesses with us today.

First, we have Jim Copland. Mr. Copland is the senior fellow and director of legal policy at the Manhattan Institute.

Next, we have Dan Savickas. Mr. Savickas is the vice president of policy and government affairs at the Taxpayer Alliance.

Finally, we have Jacob Straus. Mr. Straus is a specialist with the Congressional Research Service.

Mr. Copland, we will begin with you. You are now recognized for 5 minutes to provide an opening statement.

**STATEMENTS OF JAMES R. COPLAND, SENIOR FELLOW AND DIRECTOR OF LEGAL POLICY, MANHATTAN INSTITUTE; DAN SAVICKAS, VICE PRESIDENT OF POLICY AND GOVERNMENT AFFAIRS, TAXPAYERS PROTECTION ALLIANCE; AND JACOB STRAUS, SPECIALIST ON THE CONGRESS, CONGRESSIONAL RESEARCH SERVICE**

**STATEMENT OF JAMES R. COPLAND**

Mr. COPLAND. Thank you, Chairman Steil, Ranking Member Morelle, Members of the Committee. I want to thank all of you for the opportunity to testify today.

My name is James R. Copland, and since 2003 I have been affiliated with the Manhattan Institute for Policy Research in New York, a non-profit public policy think tank, where I have long been a senior fellow and directed the institute's legal policy research.

Although my comments draw upon such research conducted for my employer, my statement before the Committee is solely my own.

Insider trading occurs when someone trades a security using material, non-public information in violation of a duty of trust or confidence. Over time, Federal insider-trading law has moved from a concept of equal access to information to one based on fiduciary breach and later misappropriation, which extends to outsiders using confidential information for personal gain.

Historically, neither of these fiduciary breach nor misappropriation theories, as traditionally understood, would necessarily have covered all Government information, which is why this body in 2012 enacted the Stop Trading on Congressional Knowledge Act, or STOCK Act, which is the subject of this hearing. That Act explicitly clarified that Members of Congress are not exempt from Federal insider-trading law.

The Act also clarified that Members of Congress and certain other Government officials or employees trading securities or certain other financial instruments based on non-public information gained from their official duties could constitute an insider-trading violation.

The Act also heightened financial disclosure requirements for Members of Congress and senior staffers, requiring disclosure of any purchase or sale of securities worth over \$1,000 within 45 days of the transaction.

As I outline in more detail in my written testimony, substantial evidence may suggest that Congress may not have been adequately self-policing under the STOCK Act, though I want to emphasize that this is mostly due to a lack of evidence, which is not in itself dispositive evidence. Despite allegations of improper conduct, no Member of Congress has ever been prosecuted under the Act, nor do any public records exist indicating whether officials have ever paid statutory fines for STOCK Act disclosure errors.

Multiple legislative proposals have been introduced here in the 119th Congress that aim to go beyond the STOCK Act and/or to further restrict Members of Congress from owning or trading securities. I go into each of these in some detail in my written testimony.

At this time, I would just like to emphasize the important questions which arise in addressing these various vehicles of reform, each of which I discuss in more depth in my written submission.

Should Members of Congress be permitted to own or trade in any individual securities or other investment vehicles for which specialized knowledge gained from Members' public positions might create at least an appearance of insider-type benefits?

I want to emphasize that neither lawyers nor other fiduciaries nor corporate insiders are expected to have no ownership whatsoever in the securities of corporations to which they owe duties. Congress may be a special case. Ownership of specific corporations' securities or non-diverse funds may create an appearance of impropriety, even if Members are not profiting from buy or sell decisions based on insider information, because said securities ownership might be thought to bias Members' voting decisions and other legislative activity in favor of personal benefit rather than the public interest.

Is direct ownership enough to trigger concerns even if a Member exercises no control over securities purchases or sales? I.e., are blind trusts OK?

What ownership should be excluded from blanket prohibitions? I.e., are there exemptions from the types of investments that we may not want to be covered in blanket prohibitions.

What individuals should fall under the blanket prohibitions? How do we treat spouses, dependent children, and others? Do they get the same treatment?

What tax treatment should be available or required for Members forced to divest from certain securities according to new conflict-of-interest prohibitions?

Really, what enforcement mechanisms should exist? Is self-policing from this body enough, or do we want the Department of Justice involved or some other mechanism?

I explore most of these questions in more detail in my written testimony, and I am happy to explore each in more depth here today. I encourage Members to ask questions, which I will endeavor to answer to the best of my ability, and I am more than willing, of course, to follow up later with Members and staff.

Thank you again for your time and your invitation.

[The prepared statement of Mr. Copland follows:]



**Statement to the House Committee on House Administration**

***Hearing:***

*Taking Stock of the STOCK Act*

November 19, 2025

10:00 a.m.

Longworth House Office Building, Room 1310

James R. Copland  
Senior Fellow and Director, Legal Policy  
Manhattan Institute for Policy Research  
52 Vanderbilt Avenue  
New York, NY 10017

*The Manhattan Institute for Policy Research does not take institutional positions on legislation, rules, or regulations. Although my comments draw upon my research as an Institute scholar, my statement before the subcommittee is solely my own, not my employer's.*

**Written Statement<sup>1</sup>**

Chairman Steil, Ranking Member Morelle, and Members, thank you for opportunity to testify again before this Committee. My name is James R. Copland. Since 2003, I have been affiliated with the Manhattan Institute for Policy Research, a nonprofit public-policy think tank in New York City, where I have long been a senior fellow and directed the Institute's legal policy research. Although my comments draw upon such research conducted for my employer, my statement before the Committee is solely my own.

In Part I of this written testimony, I will describe the basic contours of federal insider trading law. In Part II, I will discuss the 2012 STOCK Act, which placed insider-trading-type limits on Members of Congress and certain other employees and established enhanced disclosure requirements. Part III discusses briefly various bills that have been introduced, each designed to heighten limitations on Congressional stock ownership and trading. Part IV discusses the alternatives and concludes.

**I. Backdrop: Federal Insider Trading Law**

Insider trading occurs when someone trades a security using material, non-public information in violation of a duty of trust or confidence. Over time, insider-trading law has moved from a concept of equal access to one based on fiduciary breach and later misappropriation, which extends to outsiders using confidential information for personal gain.

Before federal securities law, insider trading was a state-law fiduciary issue. Most states followed the “no duty” rule, which allowed corporate directors to trade without disclosure unless they committed actual fraud. A minority recognized a duty to disclose material facts.<sup>2</sup> The Supreme Court in *Strong v. Repide* adopted a “special facts” doctrine, imposing liability when insiders hid their identity or significant corporate developments.<sup>3</sup>

The Securities Exchange Act of 1934 authorized the newly created Securities and Exchange Commission (SEC) to bar “manipulative or deceptive device[s]” in securities trading. In 1942, the SEC promulgated Rule 10b-5,<sup>4</sup> under which insider trading as a form of federal securities fraud is predicated. In 1961, the SEC determined that corporate insiders who possess material facts known by virtue of their position—but unknown to those with whom they trade and likely to affect investment judgment—must disclose those facts before trading or abstain from trading altogether.<sup>5</sup> In 1968, the United States Court of Appeals for the Second Circuit

<sup>1</sup> I would like to thank my Manhattan Institute associates Addison Gills and Aviv Stabinsky for invaluable research assistance. All opinions, and any errors or omissions, are of course my own.

<sup>2</sup> See, e.g., *Oliver v. Oliver*, 45 S. E. 232 (Ga. 1903).

<sup>3</sup> 213 U.S. 419 (1909).

<sup>4</sup> 17 CFR 240.10b-5.

<sup>5</sup> See *In re Cady Roberts & Co.*, SEC Securities Exchange Act Release. No. 6668, November 8, 1961, 34-6668. In *Cady, Roberts*, a broker sold stocks in Curtiss-Wright after learning from a director that the company would cut its dividend. Though there was no direct misrepresentation, the SEC deemed this “fraud or deceit” under Rule 10b-5, holding that fiduciaries may not use entrusted information for personal gain.

affirmed a relatively broad insider trading theory in *SEC v. Texas Gulf Sulphur Co.*,<sup>6</sup> holding that “anyone in possession of material inside information” must disclose that information or abstain from trading in securities for which it is material.

In *Texas Gulf Sulphur* and other early cases, federal courts set a fairly aggressive outer bound for 10b-5 liability predicated on the theory that investors should enjoy “relatively equal access” to market information, rather than basing insider trading law on a narrower concept of fiduciary breach. Beginning in 1980, however, the U.S. Supreme Court began reining in that theory of the law. In *Chiarella v. United States* (1980),<sup>7</sup> the Supreme Court held that liability under federal insider trading law arises only from a fiduciary or similar duty of trust—that mere possession of material, nonpublic information is insufficient to establish liability. In *Dirks v. SEC* (1983),<sup>8</sup> the Supreme Court applied a similar theory of fiduciary breach to “tippee” liability, holding that such liability is derivative and exists only if an insider breaches a fiduciary duty for a personal benefit and the tippee knows or should know of that breach.

The Supreme Court later clarified, however, that insider trading liability could extend to “misappropriation” of insider knowledge. In *United States v. O’Hagan* (1997),<sup>9</sup> the Court held that a law firm partner who had traded upon knowledge that a firm client was acquiring another company could be prosecuted for violating a fiduciary duty owed to a principal for personal gain and without disclosure to the source. By rooting liability in deception of the information’s owner, *O’Hagan* extended Rule 10b-5 beyond “classical” insider-shareholder relationships to any fiduciary misuse of information tied to trading.

## II. The STOCK Act

The Stop Trading on Congressional Knowledge (STOCK) Act of 2012<sup>10</sup> explicitly clarified that members of Congress are not exempt from federal insider trading law. The Act clarified that members of Congress and certain other government employees trading securities or certain other financial instruments based on non-public information gained from their official duties could constitute an insider-trading violation. The STOCK Act also heightened financial disclosure requirements for members of Congress and senior staffers, requiring disclosure of any purchase or sale of securities worth over \$1,000 within 45 days of a transaction. In addition, the Act prohibits members of Congress or congressional employees from participating in initial public offerings not available to the public at large.

<sup>6</sup> *SEC v. Texas Gulf Sulphur Co.*, 401 F.2d 833 (2d Cir. 1968).

<sup>7</sup> 445 U.S. 222.

<sup>8</sup> 463 U.S. 646. In 2016, the Supreme Court unanimously reaffirmed *Dirks*, see *Salman v. United States*, 580 U.S. 39. The Court also held that a gift of confidential information to a relative or close friend meets the “personal benefit” test because it is equivalent to trading and gifting the profits, and it reined in Second Circuit precedent requiring a “pecuniary gain,” *cf.* *United States v. Newman*, 773 F.3d 438 (2014), as too narrow; familial or emotional benefits suffice when the tipper intends to benefit the recipient.

<sup>9</sup> 521 U.S. 642.

<sup>10</sup> Public Law 112–105, 126 Stat. 297.

For understandable separation-of-powers reasons, Congress is responsible for overseeing its own compliance with the STOCK Act. But Congress has been less than aggressive in working to ensure compliance. In the Senate, the Senate Ethics Committee oversees financial disclosures and compliance under the STOCK Act. No independent body exists to hold senators accountable.<sup>11</sup> The House has set up an independent investigatory body, the Office of Congressional Conduct, tasked with enforcing compliance. However, all its investigations are private, and it has no subpoena power.

Substantial evidence suggests that Congress may not have been adequately self-policing itself under the STOCK Act. Despite allegations of improper conduct, no member of Congress has ever been prosecuted under the Act. Investigative reports have documented hundreds of violations.<sup>12</sup> Most of these involve administrative errors such as missed filing deadlines rather than flagrant misconduct. Despite relatively measly first-time penalties of just \$200 for missing the 45-day disclosure deadline, no public records exist indicating whether officials have ever paid statutory fines for STOCK Act disclosure errors.<sup>13</sup>

It is also unclear whether even proper disclosure is operating as intended to deter Members of Congress and their staffs from trading securities based on information they hold based on their government service. A 2022 investigation by the *New York Times* revealed that 97 members of Congress had traded stocks in companies impacted by their committee assignments from 2019 to 2021.<sup>14</sup>

All in all, the STOCK Act may or may not have fallen short of curbing improper trading practices. But it is clear that there is insufficient evidence for the public to conclude that it has done so. Unsurprisingly, overwhelming majorities of Americans—including more than 80% of all Republicans, Democrats, and Independents—tell pollsters that they support a complete ban on stock trading by Members of Congress.<sup>15</sup>

<sup>11</sup> See Maya Kornberg, *Congressional Stock Trading, Explained*, Brennan Center for Justice, Sept 4, 2025, <https://www.brennancenter.org/our-work/research-reports/congressional-stock-trading-explained>.

<sup>12</sup> See Dave Levinthal & Madison Hall, “78 Members of Congress Have Violated a Law Designed to Prevent Insider Trading and Stop Conflicts-of-Interest,” *Business Insider*, Jan. 23, 2023, available at <https://www.businessinsider.com/congress-stock-act-violations-senate-house-trading-2021-9>.

<sup>13</sup> Kimberly Leonard, Dave Levinthal & Camila DeChalus, “Congress and Top Capitol Hill Staff Have Violated the STOCK Act Hundreds of Times. But the Consequences are Minimal, Inconsistent, and Not Recorded Publicly,” *Business Insider*, Dec. 15, 2021, available at <https://www.businessinsider.com/congress-stock-act-violations-penalties-consequences-2021-12>.

<sup>14</sup> Alicia Parlapiano, Adam Playford & Kate Kelly, “These 97 Members of Congress Reported Trades in Companies Influenced by Their Committees,” *NY Times*, Sept. 13, 2022, available at <https://www.nytimes.com/interactive/2022/09/13/us/politics/congress-members-stock-trading-list.html>.

<sup>15</sup> See Program for Public Consultation, University of Maryland School of Public Policy, *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/>.

### III. Proposed Reforms for Congressional Securities Trading

Multiple legislative proposals have been introduced in the 119th Congress that aim to go beyond the STOCK Act and/or further restrict Members of Congress from owning or trading securities. These include:

- The Restore Trust in Congress Act (H.R.5106) (Roy).
- The End Congressional Stock Trading Act (H.R.1908) (Burchett).
- The Bipartisan Restoring Faith in Government Act (H.R. 253) (Fitzpatrick).
- The Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act (H.R.3388) (Alford).
- The TRUST in Congress Act (H.R. 396) (Magaziner).

I will describe each bill briefly and offer the Committee an analytical framework intended to assist it in evaluating these alternatives.

#### **Restore Trust in Congress Act (H. R. 5106)**

This is a rather strict bill that would require any Member of Congress to divest most securities within 180 days of enactment, or 90 days of subsequent election to office, exempting only diversified investment funds, government bonds, and small business interests. There would be limited permissions for qualifying blind trusts. And the Act's limitations would extend to spouses and dependent children. As transactions required by conflict-of-interest rules, any capital gains on asset sales would be deferred and applied to the basis of exempt assets bought with sale proceeds. Violations would incur sizable fees and disgorgement, and violations would be publicly disclosed on the Ethics Office website.

#### **End Congressional Stock Trading Act (H.R.1908)**

This bill operates very similarly to H.R. 5106, with special provisions extending divestment times for divesting from investments in certain hedge funds, venture capital funds, or other privately held complex investment vehicles. Enforcement could be brought by the Attorney General or Special Counsel and penalties would be limited to fines of up to \$100,000 but would not limit prosecution or enforcement under other statutes.

#### **Bipartisan Restoring Faith in Government Act (H.R. 253)**

This bill also operates similarly to H.R. 5106. Enforcement would be by the Attorney General upon referral from the supervising ethics office. Fines could not exceed \$50,000.

#### **Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act (H.R.3388)**

This bill, the Senate version of which passed out of committee, is also similar to H.R. 5106, with some significant variations. The bill applies the prohibition on ownership and purchase of securities to spouses but not under the draft's terms to dependent children. More significantly,

the bill appears to lack a mechanism for deferring any realized capital gains from a sale of securities forced under the bill to comply with its provisions. Enforcement is vested in the supervising ethics committees, with disgorgement as in H.R. 5106, but less specific fines.

#### **TRUST in Congress Act (H.R. 396)**

This alternative bill would, rather than forcing sale of covered investments, require Members and their spouses and significant others to place such assets in a qualified blind trust.

#### **IV. Analysis and Conclusion**

As discussed in Part II above, there are sufficient reasons to worry that the STOCK Act may not be working as intended to deter or prevent various stock trades by Members of Congress that may create at least an appearance of impropriety—although I hasten to add that an absence of information about improprieties is not the same as evidence for same. That said, it is healthy and appropriate that Congressional leaders are thinking carefully about the proper boundaries for Congressional behavior in this space. Some questions naturally arise, many of which are implicitly considered in the various versions of legislation discussed in Part III:

- ***Should members of Congress own or trade in any individual securities, or other investment vehicles for which specialized knowledge gained from Members' public positions might create at least an appearance of insider-type benefits?*** The sort of public trust placed in Members is quite akin to the sort of fiduciary obligations placed on attorneys, which the Supreme Court has held limits stock-trading activity under a “misappropriation” theory.<sup>16</sup> That said, as a general rule, neither lawyers and other fiduciaries nor corporate insiders are expected to have no ownership whatsoever in the securities of corporations to which they owe duties. Of course, Congress may be a special case, with a special public trust; ownership of specific corporations' securities, or non-diverse funds, can create an appearance of impropriety even if members are not profiting from buy or sell decisions based on insider information, because said securities ownership might be thought to bias Members' voting decisions and other legislative activity in favor of personal benefit rather than the public interest.
- ***Is direct ownership enough to trigger concerns—even if a Member exercises no control over securities purchases or sales?*** The distinction between requiring that securities be moved into a blind trust and requiring that they be sold in most cases outright rests on the answer to this question. Ownership in a blind trust, if appropriately qualified, obviates concerns about stock *trading* predicated on inside information. But at least assuming that Members have information about the holdings of a trust, even if blind to its decisions, a blind trust mechanism such as that

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<sup>16</sup> See O'Hagan, 521 U.S. 642, and text accompanying note 9, *supra*.

- contemplated in H.R. 396 may be inadequate to assuage concerns about ownership stakes creating an appearance of bias in legislative votes or activities.
- ***What ownership should be excluded from blanket prohibitions?*** While the particulars vary somewhat across the different bills, there is mostly broad agreement that diversified mutual funds, government bonds, small businesses, and the like should not fall under a blanket ownership prohibition. Indeed, the ready availability of low-cost “market tracking” index funds and other mutual fund and exchange-traded vehicles should allow Members to maintain equity market exposure without unduly compromising personal investments—at least if not invested in certain special situation funds such as hedge funds, venture capital funds, or private equity vehicles. H.R. 1908 contemplates such special situation exceptions and creates a longer window for disposition for such vehicles. That is probably sensible, given very real liquidity constraints for many such investment products. Although such investment vehicles certainly could create real or perceived conflicts of interest, they are perhaps best addressed through disclosures and other enhanced ethics oversights rather than by shoehorning a rather-rapid sale of investment stakes for investments with real liquidity constraints.
  - ***What individuals should fall under the blanket prohibitions?*** The proposed bills typically, but not universally, apply to both spouses and dependent children, as well as to Members themselves. For dependent children, I do not think there is much of any objection to extending the prohibition, especially if a Member could designate children as non-dependent for tax or other purposes to the extent necessary. For spouses, there is some added layer of complexity. Some Members may be married to spouses with significant insider or control stakes in corporations. It may be wise to think about various safe harbors in such instances. Again, the possibility of real or perceived conflicts in such cases is real, but something short of a blanket prohibition on spousal ownership may be adequately tailored to ferret out abuses, if adequate disclosures are required and other enforcement mechanisms exist.
  - ***What tax treatment should be available or required for members forced to divest from securities according to new conflict-of-interest prohibitions?*** Some but not all of the bills would permit deferral of capital gains upon stock sales mandated to conflict-of-interest rules—essentially rolling over the gains realization onto the basis of newly acquired investments in diversified funds or other vehicles that comport with the new regulatory scheme’s conflict-of-interest strictures. Such treatment to me would seem salutary. Although it is theoretically feasible that such a rule might benefit some Members who would prefer to rebalance portfolios without immediately realizing a capital gain, such tax treatment makes much more sense to me than essentially forcing a capital gains tax realization upon Members as a condition of being in Congress, which would seem to be the case in H.R. 3388, as drafted. Indeed, if the Committee decides on a compromise that would more leniently allow for a

James R. Copland

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blind trust in complying with ethical mandates, it may still wish to permit members to divest of individual securities completely and defer capital gains, as a viable alternative.

I encourage Members of the Committee to ask questions, which I will endeavor to answer to the best of my ability. I am also more than willing to follow up later with Members and staff. Thank you for your time and your invitation.

***Additional Congressional Testimony***

Statement of James R. Copland, “Problems with the Shareholder Proposal Process: ESG, Passive Investing, and Proxy Advisors—A Case for Reform,” Hearing before the House Committee on Financial Services: Proxy Power and Proposal Abuse: Reforming Rule 14a-8 to Protect Shareholder Value, September 10, 2025, *available at* <https://manhattan.institute/article/testimony-before-the-house-committee-on-financial-services-2>.

Statement of James R. Copland, “The Rise of ESG Investing and the Appropriate Regulatory Responses,” Hearing before the House Committee on Financial Services: Protecting Investor Interests: Examining Environmental and Social Policy in Financial Regulation, July 12, 2023, *available at* <https://media4.manhattan-institute.org/wp-content/uploads/Copland-Testimony-House-Financial-Services-7-12-2023-fin-rev.pdf>.

Statement of James R. Copland, “Economic Growth and Efficient Capital Markets: An Agenda at Odds with Subcommittee’s Bills Under Consideration,” Hearing before the House Committee on Financial Services Subcommittee on Investor Protection, Entrepreneurship, and Capital Markets: Promoting Economic Growth: A Review of Proposals to Strengthen the Rights and Protections for Workers, May 15, 2019, *available at* [https://media4.manhattan-institute.org/sites/default/files/Testimony\\_JCopland\\_051519.pdf](https://media4.manhattan-institute.org/sites/default/files/Testimony_JCopland_051519.pdf).

Statement of James R. Copland, “Who’s Monitoring the Monitors? The Rise of Intermediaries and the Threat to Capital Markets,” Hearing before the Senate Committee on Banking, Housing, and Urban Affairs: The Application of Environmental, Social, and Governance Principles in Investing and the Role of Asset Managers, Proxy Advisors, and Other Intermediaries, Apr. 2, 2019, *available at* <https://www.banking.senate.gov/imo/media/doc/Copland%20Testimony%204-2-191.pdf>.

Statement of James R. Copland, “SEC Rule 14a-8: Ripe for Reform,” Hearing before the House Committee on Financial Services Subcommittee on Capital Markets and Government Sponsored Enterprises: Hearing on Corporate Governance: Fostering a System that Promotes Capital Formation and Maximizes Shareholder Value, Sept. 21, 2016, *available at* <https://media4.manhattan-institute.org/sites/default/files/T-JC-0916.pdf>.

Statement of James R. Copland, Testimony before the House Financial Services Committee, Apr. 26, 2006, *available at* <https://manhattan.institute/article/testimony-of-james-r-copland-before-the-united-states-house-of-representatives-committee-on-financial-services>.

Chairman STEIL. Thank you very much, Mr. Copland.  
Mr. Savickas, you are now recognized for 5 minutes.

**STATEMENT OF DAN SAVICKAS**

Mr. SAVICKAS. Thank you.

Chair Steil, Ranking Member Morelle, Vice Chair Lee, and Members of the Committee, thank you for the opportunity to testify today regarding efforts to address stock trading by Members of Congress.

My name is Dan Savickas. I am vice president of policy and government affairs at the Taxpayers Protection Alliance, or TPA. TPA is a non-partisan, non-profit organization dedicated to educating the public about the Government's effects on the economy, and TPA seeks to hold elected officials accountable for their effects on the size, scope, efficiency, and activity of Government.

As our mission statement suggests, TPA believes Members of Congress have a unique ability to impact the performance of the American economy and the global stock market. As such, they are uniquely situated to enrich themselves by voting in accordance with their stock portfolio's interests as opposed to what may be in the best interests of the American people. Alternatively, they have the ability to trade based off of non-public information in a way that would land ordinary private citizens in legal hot water.

Naturally, this has bred mistrust amongst the American public, which threatens to be destructive. According to the Campaign Legal Center, 86 percent of Americans support prohibiting Members of Congress from trading stocks altogether.

Further, apps like Autopilot allow users to mirror the trading habits of certain Members of Congress, building the perception that Members are at a distinct advantage compared to everyone else.

This is backed up by some data. According to a 2024 report on data that is available, 46 Members of Congress amongst those who trade outperformed the S&P 500 last year. Fourteen of those more than doubled that baseline.

Per a New York Times investigation, 3,700 trades between 2019 and 2021 posed a potential conflict of interest based on the Members who made trades and given issues before their Committees of jurisdiction.

A Harvard study this year showed more than 50 Members made over 2,000 trades earlier this year involving roughly 700 companies impacted by the administration's recent tariffs.

This is not limited to one political party or another. On average, Members of both political parties outperformed the market.

Additionally, each party's performance gets a boost when they control more branches of Government. This only lends further credence to the public perception that congressional representatives are using their office for personal gain rather than public service.

The 2012 passage of the STOCK Act was meant to ameliorate some of these concerns. However, the framework has proved sorely lacking. The penalty for a violation is a nominal \$200, hardly a useful deterrent given some of the sums available.

Further, enforcement is left to the discretion of the executive branch, which, at best, means enforcement is inconsistent and subjective and, at worst, it can be potentially used as a tool for future

political retribution rather than real accountability across the board.

More sweeping prohibitions and divestiture proposals eliminate some of the ambiguities left by the STOCK Act. The STOCK Act does not prevent conflicted trading by Members of Congress but merely requires them to report when and if they do so. Even then, many Members report after the mandated time periods, with little to no repercussions thus far, and the American people are left with almost no recourse.

This is why TPA has supported a number of efforts to implement more sweeping proposals on congressional stock trading. TPA has gone on to endorse specific bills like the Restore Trust in Congress Act, as introduced by Representative Chip Roy and a bipartisan coalition of lawmakers this year.

As an organization dedicated to providing accountability for elected officials, TPA looks forward to working with this Committee to help secure reforms and provide said accountability where previous efforts, like the STOCK Act, though admirable, have fallen short.

Thank you for the opportunity to provide this testimony today, and I look forward to your questions.

[The prepared statement of Mr. Savickas follows:]



November 19, 2025

**Written Testimony of Dan Savickas**

*Vice President of Policy and Government Relations*

**Presented to the House Administration Committee**

*Re: Taking Stock of the STOCK Act*

Chair Steil, Ranking Member Morelle, and members of the committee, thank you for the opportunity to testify today, regarding efforts to address stock trading by members of Congress. My name is Dan Savickas, and I am Vice President of Policy and Government Affairs for the Taxpayers Protection Alliance (TPA). The Taxpayers Protection Alliance (TPA) is a non-partisan, non-profit organization dedicated to educating the public about the government's effects on the economy. TPA seeks to hold elected officials accountable for the effects of their policies on the size, scope, efficiency and activity of government.

As our mission statement suggests, TPA believes members of Congress have a unique ability to effect the performance of the American economy and the global stock market. As such, they are uniquely situated to enrich themselves by voting according to the interests of their stock portfolio, as opposed to what may be in the best interests of the American people. Alternatively, they have the ability to trade based off of non-public information in a way that would land almost any private citizen in legal hot water.

Naturally, this has bred distrust, which threatens to be destructive. According to the Campaign Legal Center, 86 percent of Americans support prohibiting members from trading stocks altogether.<sup>1</sup> Further, apps like Autopilot—which allows users to mirror the trading habits of certain members of Congress—are gaining in popularity, indicating an almost baseline assumption amongst the American public that members are at a distinct advantage not available to everyone else.

This is backed up by the data. According to a 2024 report, 46 members of Congress outperformed the S&P 500 last year—14 of whom more than doubled that baseline.<sup>2</sup> Per a *New York Times* investigation, 3,700 trades between 2019 and 2021 posed potential conflicts for members, given issues before their committees of jurisdiction.<sup>3</sup> A Harvard study showed more than 50 members made over 2,000 trades earlier this year, involving roughly 700 companies impacted by the administration's tariffs.<sup>4</sup>

This is not limited to one political party or another. On average, members of both political parties outperformed the market. Additionally, each party's performance gets a boost when they control more branches of government. This only lends further credence to the public perception that congressional representatives are using their office for personal gain, rather than public service.

<sup>1</sup> <https://campaignlegal.org/update/congressional-stock-trading-continues-raise-conflicts-interest-concerns?utm>

<sup>2</sup> <https://unusualwhales.com/congress-trading-report-2024>

<sup>3</sup> <https://www.counterpunch.org/2022/10/14/the-scandal-of-congressional-stock-trading/>

<sup>4</sup> <https://journals.law.harvard.edu/jol/2025/11/03/congressional-stock-trading-ban-challenges/>

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The 2012 passage of the Stop Trading on Congressional Knowledge (STOCK) Act was meant to ameliorate these concerns. However, this framework has proved sorely lacking. The penalty for a violation is a nominal \$200—hardly a useful deterrent. Further, enforcement is left to the discretion of the executive branch.<sup>5</sup> At best, this means enforcement is inconsistent. At worst, it can be used as a tool for political retribution, rather than real accountability.

Outright prohibitions eliminate the ambiguities left by the STOCK Act. The STOCK Act does not prevent conflicted trading by members of Congress, but merely requires them to report when they do so. Even then, many members report after the mandated time periods with little to no repercussions. The American people are left with almost no recourse.

This is why TPA has supported a number of efforts to implement sweeping bans on congressional stock trading, including the *Bipartisan Ban on Congressional Stock Ownership Act of 2022*.<sup>6</sup> TPA has gone on to endorse similar bills since, including the *Restore Trust in Congress Act*, as introduced by Rep. Chip Roy (R-Texas) and a bipartisan group of lawmakers.

As an organization dedicated to providing accountability for elected officials, TPA looks forward to working with this committee to help secure reforms that provide said accountability where previous efforts—like the STOCK Act have fallen short. Thank you for the opportunity to provide this testimony.

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<sup>5</sup> <https://heinonline.org/HOL/Page?handle=hein.journals/illr108&id=621&div=&collection=>

<sup>6</sup> <https://www.protectingtaxpayers.org/congress/tpas-bill-of-the-month-bipartisan-ban-on-congressional-stock-ownership-act/>

Chairman STEIL. Thank you, Mr. Savickas.  
Mr. Straus, you are now recognized for 5 minutes.

#### STATEMENT OF JACOB STRAUS

Mr. STRAUS. Chairman Steil, Ranking Member Morelle, and Members of the Committee, on behalf of the Congressional Research Service, thank you for the opportunity to appear today.

My testimony focuses on two main areas: current financial disclosure and periodic transaction reporting requirements; and legislative proposals introduced during the 119th Congress to restrict certain financial activities by Members of Congress and other covered individuals.

Federal Government officials, including Members of Congress, are expected to place loyalty to the Constitution, law, and ethical principles above private gain when taking official action. Using this guiding principle, the Ethics in Government Act requires covered officials, including Members of Congress, to file annual financial disclosure statements.

Further, the STOCK Act requires those same officials to report financial transactions that exceed \$1,000 within 45 days of the transaction and affirms that Members of Congress, congressional employees, and other Federal officials are not exempt from insider-trading laws.

Neither current law nor House or Senate rules prohibit Members of the House of Representatives or Senate from owning or trading specific assets. Members of Congress are also not required to divest of assets or holdings upon taking office.

For most House and Senate staff, with the exception of certain Senate Committee staff, there are also no specific restrictions.

In recent years, dozens of bills and resolutions, including at least 25 in the 119th Congress, have been introduced to limit Members of Congress's financial activities. Broadly, these measures propose to amend the Ethics in Government Act, to create new law or to amend House rules in order to prohibit the ownership of or transactions involving certain assets, require divestment, and amend or create penalties for noncompliance.

With regard to the legislative proposals before Congress, four points are particularly pertinent.

First, each of the legislative proposals would apply to House Members, with most extending proposed limitations to Members' spouses and dependents. A lesser number would include other family members. One proposal would also apply to congressional officers and staff.

Second, each bill includes a list of covered assets to which its requirements would apply, and most also include a list of excluded assets. Covered assets commonly include items such as securities, security futures, and commodities, while commonly excluded assets include items such as widely held investments like diversified mutual funds and U.S. Treasury bills, notes, and bonds. Covered and excluded assets are discussed in more detail in my written testimony.

Third, a number of bills would allow or require a Member of Congress to place covered assets in a qualified blind trust, or QBT. Some bills would exempt QBTs as a covered asset, and others

would prohibit the use of a QBT. Qualified blind trusts are specific instruments designed in the Ethics in Government Act that may be used to remediate real or perceived financial conflicts of interest with permission of an employee's supervising ethics office, which is the House Ethics Committee for the House of Representatives.

Fourth, some legislative proposals would create or change available penalties for noncompliance. Within these proposals, two basic penalty strategies are suggested: fining individuals for noncompliance and/or publishing the names of individuals who are found in violation of disclosure or divestment requirements on a public web page.

In closing, these legislative proposals include a range of options to limit or prohibit certain financial activities. Policymakers may wish to consider, among other issues, the scope of the proposals, the proposed benefits of a particular action, any potential administrative adjustments that might be necessary to implement a modification to ethics laws, along with the potential costs to comply with the proposed laws. My written testimony raises particular questions that might be considered.

Each of these options likely has advantages and disadvantages should Congress choose to implement a particular measure as introduced or incorporate various concepts into another measure. Additionally, Congress might decide that requirements under current law are sufficient.

Thank you again for the opportunity to testify. I look forward to your questions.

[The prepared statement of Mr. Straus follows.]

Statement of

**Jacob R. Straus**  
Specialist on the Congress

Before

Committee on House Administration  
U.S. House of Representatives

Hearing on

## **“Taking Stock of the STOCK Act”**

November 19, 2025

Congressional Research Service

7-5700

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Chairman Steil, Ranking Member Morelle, Members of the Committee. My name is Jacob Straus and I am a specialist on the Congress for the Congressional Research Service (CRS). On behalf of CRS, thank you for this opportunity to discuss current legislative proposals that would limit or prohibit certain financial transactions by Members of Congress. I had the privilege of testifying before this committee in 2022. An examination of that hearing, “Examining Stock Trading Reforms for Congress,” shows ongoing interest in this issue and I am honored to testify today.

My testimony focuses on three areas: (1) current financial disclosure laws and requirements; (2) current limitations on financial activities for Members of Congress, congressional staff, and congressional officers; and (3) an analysis of current legislative proposals to limit certain financial activity introduced in the 119<sup>th</sup> Congress. The analysis includes proposals to amend existing law or House Rules and/or the creation of new law to implement limitations on covered individuals from the holding, purchase, sale, and/or active management of certain types of financial assets. My testimony regarding those legislative proposals includes examination of definitions of included and excluded assets; the use of qualified blind trusts (QBTs); public access to Member financial disclosure statements and other filings; and penalties for noncompliance.

This written statement is drawn largely from other CRS products, including CRS Report R48641, *Proposals to Limit Member of Congress Financial Activities: Analysis of Introduced Legislation in the 119th Congress*; and CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*.

## Laws Governing Financial Disclosure

Federal government officials and employees, including Members of Congress, are expected to place “loyalty to the Constitution, laws and ethical principles above private gain” when taking official action.<sup>1</sup> In 1978, Congress used this guiding principle to enact the Ethics in Government Act (EIGA), which created the current government ethics program to “preserve and promote the integrity of public officials and institutions.”<sup>2</sup>

Two current federal laws—the EIGA and the Stop Trading on Congressional Knowledge (STOCK) Act—require financial disclosures of covered federal officials’ financial holdings and activities.<sup>3</sup> In the 119<sup>th</sup> Congress (2025-2026), at least 25 measures have been introduced that propose to limit or prohibit Members of Congress, their spouses and dependents, and/or other covered congressional employees from engaging in certain financial activities. One of these measures—S. 1498—was ordered to be reported by the Senate Committee on Homeland Security and Governmental Affairs on July 30, 2025.<sup>4</sup> Broadly, these proposals seek to go beyond disclosure—as required under the EIGA and the STOCK Act—to place limitations on financial ownership and transactions.

<sup>1</sup> Code of Ethics for Government Service (H.Con.Res. 975 (1958), 72 Stat. B12). The standards included in the Code of Ethics for Government Service are still recognized as continuing ethics guidance in the House and Senate. They are not legally binding, because the code was adopted by congressional resolution, not by public law. The Code of Ethics for Government Service is cited by many House and Senate investigations. For example, see U.S. Congress, House Committee on Standards of Official Conduct, *Investigation of Certain Allegations Related to Voting on the Medicare Prescription Drug, Improvement, and Modernization Act of 2003*, report, 108<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 108-722 (2004), p. 38.

<sup>2</sup> P.L. 95-521, 92 Stat. 1824 (1978).

<sup>3</sup> Ethics in Government Act (EIGA): 5 U.S.C. §§13101-13111. STOCK Act: P.L. 112-105, 126 Stat. 291 (2012).

<sup>4</sup> As ordered reported, the amendment to S. 1498 would propose to change the bill’s title to “The Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act.” For more information, see U.S. Congress, Senate, Committee on Homeland Security and Governmental Affairs, “Homeland Security and Governmental Affairs Committee Advances Legislation and Nominations,” press release, July 31, 2025, <https://www.hsgac.senate.gov/media/repos/homeland-security-and-governmental-affairs-committee-advances-legislation-and-nominations>. See <https://www.hsgac.senate.gov/library/files/189492> for amendment text.

The proposals introduced in the 119<sup>th</sup> Congress follow interest in recent Congresses to address similar issues, including a hearing in the Committee on House Administration in the 117<sup>th</sup> Congress (2021-2022).<sup>5</sup> For analysis of similar proposals introduced between the 115<sup>th</sup> Congress (2017-2018) and the 118<sup>th</sup> Congress (2023-2024), see CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*, by Jacob R. Straus.

## Ethics in Government Act

Under the EIGA,<sup>6</sup> covered employees in all three branches of government are required to file annual financial disclosure statements that report, among other items, “income, gifts, liabilities, property—both real property and business-related personal property— positions in business enterprises and other organizations and also any agreements relating to post-Government employment.”<sup>7</sup> Covered legislative branch employees include Representatives, Senators, Delegates, the Resident Commissioner,<sup>8</sup> and certain senior congressional staff.<sup>9</sup> These officials file their financial disclosure statements with their supervising ethics office.<sup>10</sup> For the House of Representatives, covered officials file with the Clerk of the House of Representatives and the House Ethics Committee.<sup>11</sup> For the Senate, covered officials file with the Secretary of the Senate and the Senate Select Committee on Ethics.<sup>12</sup>

<sup>5</sup> U.S. Congress, Committee on House Administration, *Examining Stock Trading Reform for Congress*, hearing, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 7, 2022, <https://www.govinfo.gov/content/pkg/CHRG-117hrg47699/pdf/CHRG-117hrg47699.pdf>; <https://cha.house.gov/committee-activity/hearings/examining-stock-trading-reforms-congress>; and <https://democrats-cha.house.gov/committee-activity/hearings/examining-stock-trading-reforms-congress>. See also, CRS Testimony TE10073, *Examining Stock Trading Reforms For Congress*, by Jacob R. Straus; and CRS Insight IN11860, *Stock Trading in Congress: 117th Congress Proposals to Limit or Prohibit Certain Financial Transactions*, by Jacob R. Straus.

<sup>6</sup> P.L. 101-194, 103 Stat. 1724 (1989); P.L. 112-105, 126 Stat. 291 (2012); 5 U.S.C. §13103.

<sup>7</sup> U.S. Congress, House Committee on the Judiciary, *Ethics in Government Act of 1977*, report to accompany H.R. 1, 95<sup>th</sup> Cong., 1<sup>st</sup> sess., November 2, 1977, H.Rept. 95-800, November 2, 1977, p. 16. See also 5 U.S.C. §13104.

<sup>8</sup> 5 U.S.C. §13101(12); and 5 U.S.C. §13103(f)(9).

<sup>9</sup> 5 U.S.C. §13101(13). See also U.S. Senate, Select Committee on Ethics, “Rule XXXIV, Public Financial Disclosure,” *The Senate Code of Conduct*, 117<sup>th</sup> Cong., 1<sup>st</sup> sess., October 2021, p. 1, [https://www.ethics.senate.gov/public/\\_cache/files/3507e6ac-2525-40ac-9ec8-7c6dbfe35933/2021---red-book---the-senate-code-of-official-conduct.pdf#page=7](https://www.ethics.senate.gov/public/_cache/files/3507e6ac-2525-40ac-9ec8-7c6dbfe35933/2021---red-book---the-senate-code-of-official-conduct.pdf#page=7), and U.S. Congress, House, Committee on Ethics, “Financial Disclosure Overview,” <https://ethics.house.gov/financial-disclosure>. The *House Ethics Manual* defines financial disclosure filers as “all Members of the House and those House employees earning above GS-15, that is, at least 120% of the federal GS-15 base level salary, for at least 60 days during the calendar year.” U.S. Congress, House Committee on Standards of Official Conduct, *House Ethics Manual*, “Who Must File,” 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., December 2022, p. 262, <https://ethics.house.gov/wp-content/uploads/2023/12/Dec-2022-House-Ethics-Manual-website-version.pdf#page=276> (hereinafter, *House Ethics Manual*). For CY 2025, “GS-15, step 1, basic pay rate for CY 2025 is \$125,123. The applicable 120% calculation for that rate is therefore \$150,160, or a monthly salary of equal to or more than \$12,513. This rate is referred to as the ‘senior staff rate.’” U.S. Congress, House, Committee on Ethics, “The 2025 Outside Earned Income Limit and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions Applicable to House Officers and Employees,” *Pink Sheet*, March 12, 2025, p. 3, <https://ethics.house.gov/wp-content/uploads/2025/03/FINAL-2025-Annual-Pay-Memo.pdf>. The Senate uses the same definition for filers. See U.S. Congress, Senate, Select Committee on Ethics, “Chapter 5: Financial Disclosure,” *Senate Ethics Manual, 2003 edition*, p. 125, [https://www.ethics.senate.gov/public/index.cfm/files/serve?File\\_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=137](https://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=137) (hereinafter, *Senate Ethics Manual*).

<sup>10</sup> 5 U.S.C. §§13101(12)-(13); and 5 U.S.C. §13103(f)(9)-(10).

<sup>11</sup> 5 U.S.C. §13105(h)(1)(A); and 5 U.S.C. §13105(j). U.S. Congress, House, Office of the Clerk of the House of Representatives, *Financial Disclosure Reports*, <https://disclosures-clerk.house.gov/PublicDisclosure/FinancialDisclosure>; and U.S. Congress, House, Committee on Ethics, “Financial Disclosure,” <https://ethics.house.gov/financial-disclosure>.

<sup>12</sup> 5 U.S.C. §13105(h)(1)(B); 5 U.S.C. §13105(j); and Senate Rule XXXIV. To access financial disclosure filings, click on the “Financial Disclosure” tab at U.S. Congress, Senate, Secretary of the Senate, “Senate Public Financial Disclosure (Senate Rule 34), *Public Disclosure*, [https://www.senate.gov/pagelayout/legislative/g\\_three\\_sections\\_with\\_teasers/lobbyingdisc.htm](https://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm). Also see U.S. Congress, Senate, Select Committee on Ethics, “Financial Disclosure,” <https://www.ethics.senate.gov/public/index.cfm/financialdisclosure>; and *Senate Ethics Manual*, “Chapter 5: Financial Disclosure,” [https://www.ethics.senate.gov/public/index.cfm/files/serve?File\\_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=135](https://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=135).

## STOCK Act

Under the STOCK Act amendments to the EIGA,<sup>13</sup> covered individuals—primarily those who already file financial disclosure statements, including Members of Congress, officers, and covered congressional employees—must report financial transactions (e.g., sales and purchases of stocks, bonds, commodity futures, and other securities) that exceed \$1,000 within 45 days of the transactions.<sup>14</sup> Periodic transaction reports are filed in the same manner as the covered individuals' annual financial disclosures. For Members of Congress, both their financial disclosure forms and their periodic transactions reports are available for public inspection from the Clerk of the House (for Representatives) or the Secretary of the Senate (for Senators).<sup>15</sup> The STOCK Act also affirms that Members of Congress, congressional employees, and other federal officials are not exempt from “insider trading” laws and regulations.<sup>16</sup>

## Current Limitations on Financial Activities

Neither current law nor House or Senate rules prohibit Members of the House of Representatives, Senators, and most covered congressional employees from owning or trading specific assets. Representatives and Senators are also not required to divest themselves of assets or holdings upon taking office,<sup>17</sup> although it may be an option for the remediation of real or perceived conflicts of interest.<sup>18</sup> In the Senate, Senate Rule 37(7) generally requires certain committee staff to divest themselves of “any

<sup>13</sup> P.L. 112-105, 126 Stat. 291 (2012). The STOCK Act was renamed the Rep. Louise McIntosh Slaughter Stop Trading on Congressional Knowledge Act by P.L. 115-277, 132 Stat. 4167 (2018).

<sup>14</sup> P.L. 112-105, §6(a). Covered filers are required by the EIGA to “report on their annual FD Statement each purchase, sale, or exchange transaction involving real property held for investment, stocks, bonds, commodities futures, or other securities (including cryptocurrencies and options) made by the filer, their spouse, or dependent child when the amount of the transaction exceeds \$1,000. For sales transactions, the \$1,000 threshold is based on the total dollar value of the transaction, not the gain or loss made on the sale.” See House Ethics Committee, *Summary of Activities 116<sup>th</sup> Congress*, p. 44. For more information, see U.S. Congress, House, Committee on Ethics, “Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirements,” June 11, 2020; and U.S. Congress, Senate, Select Committee on Ethics, “STOCK Act Requirements for Senate Staff,” June 15, 2012 [https://www.ethics.senate.gov/public/\\_cache/files/e63d0a27-19b2-4bf3-b26e-9073ff179e3e/stock-act-requirements-for-senate-staff-1-.pdf](https://www.ethics.senate.gov/public/_cache/files/e63d0a27-19b2-4bf3-b26e-9073ff179e3e/stock-act-requirements-for-senate-staff-1-.pdf).

<sup>15</sup> 5 U.S.C. §13107. For Representatives and Senators, periodic transaction reports and financial disclosure reports are available for public inspection on the Clerk of the House's and Secretary of the Senate's websites, respectively. Periodic transaction reports and financial disclosure reports for officers and other covered congressional employees are not available for public inspection. P.L. 113-7, §1(a)(1), 127 Stat. 438 (2013).

<sup>16</sup> P.L. 112-105, §3. For more information on insider trading, see CRS In Focus IF11966, *Insider Trading*, by Jay B. Sykes. The STOCK Act (§12) also prohibits Members, officers, and employees who file financial disclosure statements from participating in initial public offerings (IPOs) “in any manner other than is available to members of the public generally.” In a February 2019 memorandum to House Members, officers, and employees, the House Ethics Committee noted that “while interpretation and enforcement of the STOCK Act regarding participation in IPOs is chiefly within the jurisdiction of the SEC and Department of Justice, the opinion of the Committee is that, as drafted, the STOCK Act prohibits only the filer from participating in IPOs, but not the filer's spouse or dependent child, assuming the assets used for the purchase and the securities purchased are wholly owned by the spouse or dependent child, separate and independent of the filer.” See U.S. Congress, House Committee on Ethics, *Summary of Activities One Hundred Sixteenth Congress*, 116<sup>th</sup> Cong., 2<sup>nd</sup> sess., December 31, 2020, H.Rept. 116-703, p. 47, note 18, <https://www.congress.gov/116/crpt/hrpt703/CRPT-116hrpt703.pdf#page=53> (hereinafter House Ethics Committee, *Summary of Activities 116<sup>th</sup> Congress*).

<sup>17</sup> *House Ethics Manual*, pp. 234, 247-248, 250, 369; and *Senate Ethics Manual*, p. 124.

<sup>18</sup> 5 U.S.C. §13108(b)(3). That section states “If ... a person designated by a congressional ethics committee ... reaches an opinion under paragraph (2)(B) that an individual is not in compliance with applicable law and regulations, the official or committee staff shall notify the individual of that opinion and, after an opportunity for personal consultation (if practicable), determine and notify the individual of which steps, if any, would in the opinion of such official or committee be appropriate for assuring compliance with such laws and regulations and the date by which such steps should be taken. Such steps may include, as appropriate—(A) divestiture; (B) restitution; (C) the establishment of a blind trust; (D) request for an exemption under section 208(b) of title 18; or (E) voluntary request for transfer, reassignment, limitation of duties, or resignation.”

substantial holdings which may be directly affected by the actions of the employing committee, unless the Ethics Committee after consultation with the employee's supervisor approves other arrangements."<sup>19</sup>

The *House Ethics Manual* directly addresses the potential for divestiture by a Representative. It states

Members of Congress enter public service owning assets and having private investment interest like other citizens. Members should not "be expected to fully strip themselves of worldly goods." Even a selective divestiture of potentially conflicting assets could raise problems for a legislator. Unlike many officials in the executive branch, who are concerned with administration and regulation in a narrow area, a Member of Congress must exercise judgment concerning legislation across the entire spectrum of business and economic endeavors. Requiring divestiture may also insulate legislators from the personal and economic interests held by their constituencies, or society in general, in governmental decisions and policy.<sup>20</sup>

Similarly, the *Senate Ethics Manual* states

The drafters of the original Senate Code of Official Conduct, in the 95<sup>th</sup> Congress, considered "full and complete public financial disclosure" to be "the heart of the code of conduct." Financial interests and investments of Members and employees, as well as those of candidates for the Senate, may present conflicts of interest with official duties. Members and employees (with the exception of certain committee staffers) need not, however, divest themselves of assets upon assuming their positions, nor must Members disqualify themselves from voting on issues that generally affect their personal financial interests. Instead, public financial disclosure provides the mechanism for monitoring and deterring conflicts.<sup>21</sup>

While Members are not generally prohibited from owning or trading particular assets, some executive branch agencies place limitations on their employees through supplemental regulations. For example, the Federal Mine Safety and Health Review Commission has a supplemental Standards of Ethical Conduct that includes a list of prohibited financial interests for the Commission's employees.<sup>22</sup>

## Proposed Limitations on Member of Congress Financial Activities in the 119<sup>th</sup> Congress

In the 119<sup>th</sup> Congress, there has been interest in limiting Members of Congress and covered congressional officials from engaging in certain financial transactions. As of November 14, 2025, at least 25 bills or resolutions have been introduced. Broadly, these measures propose to amend the Ethics in Government Act and/or the STOCK Act, to create new law, and/or to amend House Rules. These measures would prohibit certain transactions and/or ownership of certain assets; increase financial disclosure reporting requirements; prescribe remedies to alleviate real or perceived conflicts of interest; and/or create or amend penalties for failure to comply with divestment or disclosure requirements.

Generally, the measures in **Table 1** propose to prohibit or limit covered individuals from the holding, purchase, sale, and/or active management of certain types of financial assets; to define the assets that would be included and excluded from filing requirements; to allow or require certain assets to be placed

<sup>19</sup> See *Senate Ethics Manual*, pp. 70-71, 124, 218-220; and U.S. Senate, Committee on Rules and Administration, "Rule XXXVII: Conflict of Interest," *Rules of the Senate*, <https://www.rules.senate.gov/rules-of-the-senate>. Covered staff include "committee staff paid at a rate of pay in excess of \$25,000 a year and employed for more than 90 days."

<sup>20</sup> *House Ethics Manual*, p. 260.

<sup>21</sup> *Senate Ethics Manual*, pp. 70-71, 124. Covered Senate staff include "committee staff paid at a rate of pay in excess of \$25,000 a year and employed for more than 90 days." They are required to "divest themselves of any substantial holdings which may be directly affected by the actions of the employing committee, unless the Ethics Committee after consultation with the employee's supervisor approves other arrangements."

<sup>22</sup> 5 C.F.R. §8401.102.

in qualified blind trusts; to broaden public access to Member financial disclosure statements and other filings; and to amend or create penalties for noncompliance.

To date, one bill—S. 1498—has been considered beyond referral to a committee. On July 30, 2025, S. 1498 was ordered to be reported, as amended, by the Senate Committee on Homeland Security and Governmental Affairs.<sup>23</sup> S. 1498 would prohibit Members of Congress, their spouses, and their dependent children from owning, purchasing, or trading covered assets.<sup>24</sup>

**Table 1** lists the measures' bill or resolution number and title; the proposed affected congressional entity; proposed actions; timeline for implementation, if enacted, and proposed penalties. A discussion of covered and exempted assets can be found under "Covered and Excluded Assets" below. To ease organization, **Table 1** lists companion measures together.

**Table 1. Proposals to Limit or Prohibit Certain Financial Transactions in the 119<sup>th</sup> Congress**  
Through November 14, 2025

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
<b>Ordered Reported by Committee</b>				
S. 1498 Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act <sup>b</sup>	Members of Congress, spouses, and dependent children	Prohibit the purchase or ownership of covered investments; prohibit the use of qualified blind trusts  Require written certification of compliance of completed divestment of covered investments held in a qualified blind trust to supervising ethics committee, which posts certification on public website	Covered purchases by Members must stop as of enactment  Divestiture of covered investments for current Members must occur before the date of commencement for next term of service  New Members must divest covered investments before being sworn into office	Civil penalty imposed by supervising ethics office equal to the greater of (1) the monthly equivalent of the annual rate of pay of the covered person or (2) an amount equal to 10% of the value of each covered investment that was not divested

<sup>23</sup> U.S. Congress, Senate, Committee on Homeland Security and Governmental Affairs, "Homeland Security and Governmental Affairs Committee Advances Legislation and Nominations," press release, July 31, 2025, <https://www.hsgac.senate.gov/media/rep/homeland-security-and-governmental-affairs-committee-advances-legislation-and-nominations>. See <https://www.hsgac.senate.gov/library/files/189492>, for amendment text. The amended text would change the bill name from the Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act to the Halting Ownership and Non-Ethical Stock Transactions Act (HONEST) Act.

<sup>24</sup> For more information, see Sen. Jeff Merkley, "Committee Advances Peters, Hawley, Merkley, and Ossoff Bipartisan Legislation to Ban Member Stock Trading," press release, July 30, 2025, <https://www.merkley.senate.gov/committee-advances-peters-hawley-merkley-and-ossoff-bipartisan-legislation-to-ban-member-stock-trading>. Also see Paul M. Krawzak, "Senate Panel Approves Bill to Ban Elected Officials' Stock Trades," *CQ News*, July 30, 2025, <https://plus.cq.com/doc/news-8298254>.

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
<b>Introduced and Referred to Committee</b>				
H.Res. 491 No Option for Stock Trading and Ownership as a Check to Keep Congress Clean (NO STOCK) Resolution	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership of common stock	—	—
H.R. 253 Bipartisan Restoring Faith in Government Act	Members of Congress, spouses, and dependents	Prohibit ownership or transactions of a covered financial instrument through required sale of covered investments or placement in qualified blind trust  Certify compliance to supervising ethics committee, which posts certifications on public website	Within 90 days of enactment for current Members or 90 days of taking office for new Members	Not to exceed \$50,000  Cannot use House <b>Members'</b> Representational Allowance (MRA), <b>Senators' Official</b> Personnel and Office Expense Account, or any political committee funds under the Federal Election Campaign Act of 1971 to pay penalties <sup>c</sup>
H.R. 358 No Corruption in Government Act	Members of Congress and spouses	Prohibit ownership, purchase, or sale of covered financial instruments  Does not apply to assets in a qualified blind trust  Certify compliance not later than 7 days after the beginning of a new session of Congress  Supervising ethics office publishes certification on website	Applies to Members who commence service after enactment, after 7 days after being sworn in	Civil fines under 5 U.S.C. §13106(a) <sup>d</sup>  Disgorge profit from a transaction or holding to the U.S. Treasury general fund  Cannot deduct loss from transaction of holding of covered assets on taxes

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
H.R. 396 TRUST in Congress Act	Members of Congress, spouses, and dependents	Require placement of covered investments in qualified blind trusts  Certify placement of assets in a qualified blind trust to the Clerk of House or Secretary of the Senate, who post certifications on public website	Within 180 days of enactment for current Members or within 90 days of taking office for new Members  May not dissolve trust until at least 180 days after ceasing to be a Member	—
H.R. 1712/S. 1620 Modern Emoluments and Malfeasance Enforcement Act (MEME) Act	Members of Congress, spouses, and dependents	Prohibits issuance, sponsorship, or promotion of a covered asset for a pecuniary gain  May not engage in or benefit from a prohibited financial transaction	During term of service, 180-day period prior to the date of becoming a covered official, and 180-day period after service is terminated	Civil penalty of not more than \$250,000  Disgorgement of any profit from a prohibited transaction to the U.S. Treasury  Retroactive disgorgement requirements <sup>c</sup>
H.R. 1756 Stop Politicians Profiting from War Act of 2025	Members of Congress, spouses, and dependents	Prohibit covered financial investments	Within 120 days of enactment for current Members  Within 120 days of being sworn in for new Members  Extended to 180 days for complex investment vehicles  Divest within 120 days if asset is acquired during service	Civil fines of not more than \$50,000 for each violation

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
H.R. 1908 End Congressional Stock Trading Act <sup>f</sup>	Members of Congress, spouses, and dependents	Require divestment of covered financial instruments and prohibit ownership or trade of covered financial instruments	Within 180 days of enactment for current Members  Within 90 days of becoming a Member for new Members  Divest within 5 years for complex investment vehicles, and within 180 days for assets received while a Member	Civil fines of not more than \$100,000 for each violation
H.R. 2624, §5 Halt Unchecked Member Benefits with Lobbying Elimination (HUMBLE) Act	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership of common stock of individual corporations	Would take effect immediately before noon on January 3, 2027	—
H.R. 3001, Title V Restriction of Trading and Ownership of Certain Financial Instruments by Members of the House of Representatives	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership or trade of covered financial instruments  Members submit pledge of compliance to House Ethics Committee	—	—
H.R. 3182 To amend title 5, U.S. Code, to prohibit Members of Congress and their spouses from trading stock, and for other purposes	Members of Congress and spouses	Prohibit ownership, purchase, or sale of covered financial instruments	—	Civil fines under 5 U.S.C. §13106(a) <sup>d</sup>

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
H.R. 3388 Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act <sup>b</sup>	Members of Congress and spouses	Prohibit the ownership, purchase, or sale of covered financial instruments  Require written certification of compliance to supervising ethics committee, which posts certification on public website	Within 180 days of enactment for current Members or within 180 days of taking office for new Members	Disgorgement to the Treasury of any profit from a prohibited transaction or holding  Fines equal to 10% of the value of each covered financial instrument that was not divested  Publication by supervising ethics committee on public website of fines assessed
H.R. 3573 Stop Trading, Retention, and Unfair Market Payoffs in Crypto Act of 2025 ("Stop TRUMP in Crypto Act of 2025")	Members of Congress, spouses, children, children-in-law	Prohibit ownership of a proportion of a digital asset that would allow the holder to unilaterally make changes to the digital asset; serve as an officer, director, or owner of a digital asset issuer; and issue, sponsor, promote, or receive direct or indirect compensation from a digital asset; trade digital assets while in office, if the covered individual has material nonpublic information about digital assets; and create a prohibition on using an intermediary to take "any action prohibited by this Act" <sup>c</sup>	—	Applies penalties in 18 U.S.C. §216 <sup>d</sup>
H.R. 3635 Foreign Adversary Investment Prohibition Act	Members of Congress	Prohibit covered financial transactions that benefit, directly or indirectly, a foreign adversary or entity owned or operated by a foreign adversary <sup>e</sup>	—	Civil penalty of not more than \$5,000 for first violation, \$10,000 for section violation, and \$15,000 for each additional violation

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
H.R. 3779 STOCK Act 2.0, §5	Members of Congress, officers and employees of Congress, spouses, and dependents	Prohibit the ownership, purchase, or sale of covered financial instruments	Within 120 days of enactment for current Members or within 120 days of taking office for new Members	Supervising ethics office assesses fine of not less than 10% of the value of the covered financial interest
		Prohibit transactions that create a net short position on any security	Within 120 days of acquiring a covered interest through inheritance	
		Prohibit service as an officer or board member of any for-profit association, corporation, or other entity	Restrictions continue for 120 days after ceasing to be a covered official	
		Require written certification of compliance to supervising ethics committee, which posts certification on public website		
H.R. 3849/S. 1803 Stop Trading Assets Benefitting Lawmakers' Earnings while Governing Exotic and Novel Investments in the United States (STABLE GENIUS) Act	Members of Congress	Prohibit the issuance, sponsorship, endorsement, purchase, sale, or holding of covered financial instruments	Period beginning on the date of filing as a candidate in a federal election through date of election; for the term of service of covered official; and 1 year after the service of covered official is terminated	Civil penalty of not more than \$250,000 paid from profit of assets; disgorgement to U.S. Treasury of any profit from unlawful activity subject to civil action
		Require placement of assets in a qualified blind trust, and trust must be divested not later than 6 months after	Qualified blind trust must be divested not later than 6 months after establishment	Criminal penalties of fines under Title 18, U.S. Code, imprisonment for not more than 18 years, or both
			Certification to supervising ethics office	

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
H.R. 4036 No Shorting America Act	Members of Congress, spouses, and dependents	Prohibit the short sale of any covered financial instrument issued by any business entity that is listed on a national stock exchange  Submit pledge of compliance to supervising ethics committee, which posts on publicly accessible website	—	Civil penalties not to exceed \$50,000  Cannot use House <b>Members'</b> Representational Allowance (MRA), <b>Senators' Official</b> Personnel and Office Expense Account, or political committee funds under the Federal Election Campaign Act of 1971 to pay penalties <sup>c</sup>
H.R. 5106 Restore Trust in Congress Act	Members of Congress, spouses, and dependents	Prohibit covered individuals from directly, or indirectly, owning or trading a covered investment	Within 180 days of enactment for current Members or within 90 days of taking office for new Members  Assets in a qualified blind trust shall be divested with 180 days of enactment for current Members or 90 days of taking office for new Members  Divest assets acquired other than by purchase within 90 days from acquisition	Fee equal to 10% of the value of the covered investment; disgorge profits of any transaction to the U.S. Treasury  Fines published by supervising ethics office on public website  Cannot use House <b>Members'</b> Representational Allowance (MRA), or political committee funds under the Federal Election Campaign Act of 1971 to pay penalties <sup>c</sup>
H.R. 5827, Title V Modernizing America with Rebuilding to Kickstart the Economy of the Twenty-first Century with a Historic Infrastructure-Centered Expansion (MARKET CHOICE) Act	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership or trade of a covered financial instrument  Submit pledge of compliance to House Ethics Committee and provide requested documents to demonstrate compliance	—	—

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
S. 1668 End Crypto Corruption Act of 2025	Members of Congress, spouses, and dependents	Prohibit direct or indirect engagement in a prohibited financial transaction	During term of service, or 1-year period beginning on the date on which service is terminated	Civil penalties equal to not more than 10% of the value of the financial interest that is subject to prohibited conduct, or the amount of financial gain, whichever is greater  Disgorgement of any profit from prohibited transaction to the U.S. Treasury  Criminal penalties of monetary fines and imprisonment; or disqualification from holding office <sup>i</sup>
S. 1879 Ban Congressional Stock Trading Act	Members of Congress, spouses, and dependents	Amend EIGA to require divestiture or placement of assets in a blind trust	Certification required within 30 days of enactment for current Members of Congress, or within 30 days of becoming a Member of Congress  Divestiture or blind trust required within 120 days of enactment for current Members of Congress, or within 120 days of becoming a Member of Congress	Civil penalties equal to the monthly equivalent of the annual rate of pay for Members of Congress
S. 2143 <b>Curbing Officials'</b> Income and Nondisclosure (COIN) Act	Members of Congress, spouses, parents, siblings and children	Amend EIGA to prohibit certain financial transactions	During term of service; during 180- day period ending on the date on which the service of the covered individual commences; or during the 2-year period beginning on the date on which service is terminated	Civil penalties of not more than \$25,000 per violation; 10% of the value of the prohibited financial interest; or the amount of financial gain, whichever is greater; disgorgement of profit  Various potential criminal fines or imprisonment

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty
S. 2877 No Stock Act	Member of Congress, spouses, dependents	Prohibit holding, purchasing, selling, or conducting any type or transaction with a covered financial instrument (except for required divestiture)	Upon enactment, covered individual may not hold, purchase, sell, or conduct any type of transaction of a covered financial asset or enter into a transaction that creates a net short position in a security	Fines by supervising ethics office of not less than 10% of the value of the covered financial interest
		Prohibit transaction that creates a net short position in any security	Divestiture required within 120 days of enactment for current Members, or of taking office for new Members	
		Prohibit covered individuals from serving as an officer or board member for any for-profit association, corporation, or other entity	Divestiture of inherited covered financial instrument with 120 days of inheritance	
		Written certification of compliance submitted to supervising ethics office	Prohibition extends 120 days following service as a covered individual	

**Source:** CRS summary and analysis of proposed legislation.

**Notes:** Not included in Table 1 are H.Res. 200, which would express support for a broad political reform plan that, among other items, would ban “Members of Congress from holding and trading individual stocks during the Member’s tenure and requires Members of Congress, as well as any spouse or dependent child of a Member, to place specified investments into a qualified blind trust until 180 days after the end of their tenure”; and H.Res. 849, which would express support for legislation to “prohibit the issuance, sponsoring, or endorsing of digital assets (including cryptocurrency, memecoins, stablecoins, tokens, nonfungible tokens (NFTs), digital trading cards, and decentralized finance platforms) by... Members of Congress, candidates for public office, elected public officials, high-ranking executive branch employees and special government employees, and the immediate family members of each of these; and ...require the President, Vice President, Members of Congress, candidates for public office, elected public officials, and the immediate family members of each of these to place any digital assets they hold in a qualified blind trust inaccessible during their candidacy, public service, and 2 years after an individual’s service.”

- In some cases, legislation would also apply to the President, Vice President, or other executive branch officials.
- As introduced, S. 1498 was identical to H.R. 3388. On July 30, 2025, the Senate Homeland Security and Governmental Affairs Committee ordered to be reported S. 1498 as the “Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act,” with an amendment in the nature of a substitute.
- For more information on Members’ Representational Allowance (MRA) in the House or the Senators’ Official Personnel and Office Expense Account, see CRS Report R40962, *Members’ Representational Allowance: History and Usage*, by Ida A. Brudnick; and CRS Report R44399, *Senators’ Official Personnel and Office Expense Account (SOPOEA): History and Usage*, by Ida A. Brudnick. For more information about campaign funds and the Federal Election Campaign Act of 1971, see CRS Report R41542, *The State of Campaign Finance Policy: Recent Developments and Issues for Congress*, by R. Sam Garrett.

- d. The Ethics in Government Act (5 U.S.C. §13106) provides penalties for failure to file or filing false financial disclosure reports. **Section 13106(a) provides for civil penalties “in any amount, not to exceed \$50,000,” and prison time “for not more than 1 year, or both.”**
- e. H.R. 1712/S. 1620 would also include a private right to action in its EIGA amendments. The provision states that “Notwithstanding any contrary provision in any contract relating to the asset, any investor, competitor, or other private party suffering harm may bring an action in an appropriate district court of the United States for any appropriate equitable or declaratory relief, including monetary damages, with respect to a violation of section 13152.”
- f. H.Res. 665, as introduced, proposes to create a special rule for the consideration of H.R. 1908. Included in the resolution (§2) is an amendment in the nature of a substitute that would replace the current text of H.R. 1908 with **alternative language. The proposed amendment would make alterations to the bill’s timeline (shortening divestment of complex assets from 5 years to 2 years; extending the timeline for new Members of Congress to sell covered financial instruments from 90 to 180 days); confirm that Members of Congress, spouses, and dependent children may hold covered investments in qualified blind trusts; add a civil fine of 10% of the “most recent combined value of each stock, bond, commodity, future, or other form of security involved (whichever is greater)”**; and specify that **Members cannot use House Members’ Representational Allowance (MRA), Senators’ Official Personnel and Office Expense Account, or any political committee funds under the Federal Election Campaign Act of 1971.**
- g. H.R. 3573, Section 3(a) would create a prohibition on indirect participation through intermediaries and beneficial ownership by a covered official. **The provision provides that “A covered individual may not take any action prohibited by this Act through any trust, corporation, partnership, limited liability company, unincorporated association, political committee, nonprofit organization, or other entity or person, including any digital wallet or protocol, if such covered individual—(1) directly or indirectly exercises control over such entity; (2) acts through such entity as a beneficial owner; or (3) has received or expects to receive compensation, financial benefit, or influence as a result of the entity’s engagement in digital asset activities described in this Act.”**
- h. **18 U.S.C. §216 provides for penalties including jail time and “a civil penalty of not more than \$50,000 for each violation or the amount of compensation which the person received or offered for the prohibited conduct, whichever amount is greater.”**
- i. H.R. 3635, §(c)(2), **would define a foreign adversary as “(A) the People’s Republic of China, including the Hong Kong Special Administrative Regions; (B) the Republic of Cuba; (C) the Islamic Republic of Iran; (D) the Democratic People’s Republic of Korea; (E) the Russian Federation; and (F) the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros.”**
- j. S. 1668 includes potential criminal penalties for benefitting from prohibited financial transactions of fines under 18 U.S.C. §227A, imprisonment for not more than five years, or both. S. 1668 would also subject a covered individual to fines, “or imprisonment for not more than 5 years, or both, and [the covered official] may be disqualified from holding any office of honor, trust, or profit under the United States.”

## Covered Officials

Most legislative proposals would either amend the EIGA,<sup>25</sup> or would create new law to address Member financial transactions.<sup>26</sup> Four legislative proposals would amend House Rule XXIII, the House Code of Conduct, to prohibit Members from owning covered assets.<sup>27</sup> Amending House Rules to prohibit ownership of covered assets might require the divestiture of certain assets by Members of the House. As an amendment to the Code of Conduct, jurisdiction over the implementation and enforcement of this proposed rule change would likely be with the House Ethics Committee.<sup>28</sup> A similar proposal to amend Senate Rules has not been introduced.<sup>29</sup>

<sup>25</sup> S. 1498; H.R. 253; H.R. 358; H.R. 1712/S. 1620; H.R. 3182; H.R. 3388; H.R. 3779; H.R. 4036; H.R. 5106; S. 1668; S. 1879; S. 2143; and S. 2877.

<sup>26</sup> H.R. 396; H.R. 1756; H.R. 1908; H.R. 3573; H.R. 3635; and H.R. 3849/S. 1803.

<sup>27</sup> H.Res. 491; H.R. 2624, §5; H.R. 3001, Title V; and H.R. 5827, Title V.

<sup>28</sup> House Rule X(g).

<sup>29</sup> The Senate code of conduct is divided among several rules. These include Senate Rule XXXIV (public financial disclosure), Rule XXXV (gifts), Rule XXXVI (outside earned income), and XXXVII (conflict of interest). For more information, see U.S. Congress, Senate, Committee on Rules and Administration, “Rules of the Senate,” <https://www.rules.senate.gov/rules-of-the-senate>.

Amending House Rules rather than the Ethics in Government Act or creating a new law could be interpreted as having somewhat more limited affect (e.g., not allowing for restrictions to apply after a Member leaves office and not applying to Senators).<sup>30</sup> Some of the proposals involving changes to law, however, would apply to Members for a period *after* they depart the House.<sup>31</sup>

The bills to amend EIGA all propose to limit the ability of Members of Congress to engage in covered transactions (discussed below under “Covered and Excluded Assets”). Some measures would only apply to Members of the House of Representatives.<sup>32</sup> In addition to Members of Congress, most measures would extend the proposed limitations to Members’ spouses and dependents.<sup>33</sup> Some measures would include other individuals along with Members, spouses, and dependents. The additional covered parties would include

- Members’ children-in-law,<sup>34</sup>
- Members’ siblings, parents, and adult children,<sup>35</sup> and
- congressional officers and staff.<sup>36</sup>

### Covered and Excluded Assets

Each introduced bill includes a list of covered assets to which its requirements apply, and most also include a list of excluded assets. Covered assets commonly include securities,<sup>37</sup> security futures, commodities,<sup>38</sup> and “comparable economic interests acquired through synthetic means” (e.g., derivatives, options, or warrants).<sup>39</sup> Several measures would place limitations on specific types of financial activities. These include the following:

- a limitation on the ownership or purchase of assets linked to covered defense contractors;<sup>40</sup>

<sup>30</sup> See also, *INS v. Chadha* (45 U.S. 919 (1983)), holding that the actions of one chamber cannot alter the legal rights of those outside the legislative branch. Traditionally, when a Representative or Senator departs the House or Senate, the House Ethics Committee or the Senate Select Committee on Ethics loses jurisdiction over the former Member. For example, House Committee on Ethics notes “As a general matter, the Committee’s investigative jurisdiction extends to current House Members, officers and employees. When a Member, officer, or employee, who is the subject of a Committee investigation, resigns, the Committee loses jurisdiction over the individual.” House Ethics Committee, *Summary of Activities*, 116<sup>th</sup> Congress, p. 14; and House Rule XI, clause 3(a)(2).

<sup>31</sup> H.R. 1712/S. 1610; H.R. 3779, §5; H.R. 3849/S. 1803; S. 1668; and S. 2143.

<sup>32</sup> H.Res. 491; H.R. 3001, Title V; H.R. 2624, §5; H.R. 3849/S. 1803; and H.R. 5827, Title V.

<sup>33</sup> Spouse and dependents: H.R. 253; H.R. 396; H.R. 1712/S. 1620; H.R. 1756; H.R. 1908; H.R. 3779; H.R. 4036; H.R. 5106; S. 1879; S. 1498, and S. 2877. Spouses only: H.R. 358; H.R. 3182; H.R. 3388; and S. 1668.

<sup>34</sup> H.R. 3573.

<sup>35</sup> S. 2143.

<sup>36</sup> H.R. 3779.

<sup>37</sup> For more information on securities, see CRS Report R48521, *Capital Markets and Securities Regulation: Overview and Policy Issues*, by Eva Su.

<sup>38</sup> 7 U.S.C. §1a. A commodity “means wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, Solanum tuberosum (Irish potatoes), wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, soybean meal, livestock, livestock products, and frozen concentrated orange juice, and all other goods and articles, except onions (as provided by section 13–1 of this title) and motion picture box office receipts (or any index, measure, value, or data related to such receipts), and all services, rights, and interests (except motion picture box office receipts, or any index, measure, value or data related to such receipts) in which contracts for future delivery are presently or in the future dealt in.”

<sup>39</sup> For a definition of derivatives and options, see U.S. Securities and Exchange Commission, “Glossary,” *Introduction to Investing*, <https://www.investor.gov/introduction-investing/investing-basics/glossary>.

<sup>40</sup> H.R. 1756.

- a prohibition on “any covered financial transaction that benefits, directly or indirectly, a foreign adversary or an entity owned or operated by a foreign adversary”;<sup>41</sup>
- limitations on activities involving digital assets, including cryptocurrency, a meme coin, a token, or a non-fungible token, which could also be securities;<sup>42</sup>
- a prohibition on owning common stock of any individual corporation;<sup>43</sup>
- a limitation on the short sale of covered financial instruments issued by businesses listed on a public stock exchange; and<sup>44</sup>
- a prohibition on transactions involving interests acquired as part of an aggregation or compilation through a mutual fund, exchange-traded fund, or other similar means if that aggregation or compilation of such interests constitutes a significant portion of that economic interest.<sup>45</sup>

Most proposals would exempt some assets. Most commonly, exemptions would include U.S. Treasury bills, notes, or bonds and “widely held investments,” including diversified mutual funds and diversified exchanged-traded funds.<sup>46</sup> Additionally, as shown in **Figure 1**, some bills would exclude other types of assets.<sup>47</sup>

<sup>41</sup> H.R. 3635. The bill defines foreign adversaries as the People’s Republic of China, including the Hong Kong Special Administrative Regions; the Republic of Cuba; the Islamic Republic of Iran; the Democratic People’s Republic of Korea; the Russian Federation; and the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros.

<sup>42</sup> H.R. 1712/S. 1620, H.R. 3573; H.R. 3849/S. 1803; S. 1668; S. 1498, as ordered to be reported; and S. 2877. For more information on digital assets, see CRS Report R46208, *Digital Assets and SEC Regulation*, by Eva Su. For more information on cryptocurrency, see CRS In Focus IF12405, *Introduction to Cryptocurrency*, by Paul Tierno. For more information on tokenized assets, see CRS In Focus IF12670, *Tokenized Assets*, by Paul Tierno.

<sup>43</sup> H.R. 2624, §5.

<sup>44</sup> H.R. 4036 and S. 2143. For more information on short sales, see CRS In Focus IF12400, *Short Selling: Background and Policy Issues*, by Eva Su.

<sup>45</sup> S. 2143.

<sup>46</sup> For more information on Exchange Traded Funds (ETFs), see CRS Report R45318, *Exchange-Traded Funds (ETFs): Issues for Congress*, by Eva Su.

<sup>47</sup> H.R. 5106 also proposes to exempt “an interest in a limited liability company created for the sole purpose of purchasing or holding real estate that serves as the personal residence of the Member of Congress.”

**Figure I. Proposed Exempted Assets in 119<sup>th</sup> Congress Legislation**

Assets	Bills that propose exemption
Alaska Native Claims Settlement Act Common Stocks <sup>a</sup>	H.R. 1756 H.R. 1908 S. 1498 H.R. 5106
Thrift Savings Plan <sup>b</sup>	H.R. 253 H.R. 358 H.R. 3001 H.R. 3182 H.R. 5827
State or local government bonds	H.R. 253 H.R. 1908 H.R. 3001 S. 1498 H.R. 5106 H.R. 5827
Compensation from spouse or dependent's primary occupation	H.R. 1908 H.R. 3388 H.R. 3779 S. 1498 S. 1879 H.R. 5106 S. 2877
Federal, state, or local government employee retirement plan	H.R. 1756 H.R. 1908 S. 1498 S. 1879
Interest in a diversified registered investment fund under 15 U.S.C. §80a-3	H.R. 1756 H.R. 3779 S. 2877
Interest in small business concerns	S. 1498 H.R. 1908 H.R. 5106
Payment Stablecoin under the GENIUS Act <sup>c</sup>	S. 2877

**Source:** CRS analysis of legislation that proposes to limit Member financial transactions from <https://www.congress.gov>.

**Notes:** S. 1498 was ordered to be reported (as amended) by the Senate Homeland Security and Governmental Affairs Committee on July 30, 2025.

- For more information on the Alaska Native Lands and the Alaska Native Claims Settlement Act, see CRS Report R46997, *Alaska Native Lands and the Alaska Native Claims Settlement Act (ANCSA): Overview and Selected Issues for Congress*, by Mariel J. Murray.
- For more information on the Thrift Savings Plan (TSP), see <https://www.tsp.gov>.
- The Genius Act (P.L. 119-27) defines *payment stablecoin* in sec. 2(22).

## Qualified Blind Trusts

A number of the proposals would allow or require a Member of Congress (and their spouses and/or dependent children) to place covered assets in a qualified blind trust (QBT).<sup>48</sup> Others would prohibit the use of a QBT,<sup>49</sup> or exempt QBTs as covered assets.<sup>50</sup> Qualified blind trusts are specific instruments that may be used to remediate real or perceived financial conflicts of interest.<sup>51</sup> Created in the Ethics in Government Act, qualified blind trusts

confer on an independent trustee and any other designated fiduciary the sole responsibility to administer the trust and to manage trust assets without participation by, or the knowledge of, any interested party or any representative of an interested party. This responsibility includes the duty to decide when and to what extent the original assets of the trust are to be sold or disposed of, and in what investments the proceeds of sale are to be reinvested.<sup>52</sup>

The establishment of a qualified blind trust requires permission from a covered official's supervising ethics office (e.g., the House Committee on Ethics or the Senate Select Committee on Ethics for Representatives and Senators, respectively). Should a qualified blind trust be established to remediate a financial conflict of interest, the covered official "gives up the management of the assets to an

<sup>48</sup> H.R. 253; H.R. 396; H.R. 3849/S. 1803; and S. 1879.

<sup>49</sup> H.R. 1756; and H.R. 5106.

<sup>50</sup> H.R. 358; and H.R. 3182.

<sup>51</sup> 5 C.F.R. §2634.401.

<sup>52</sup> 5 C.F.R. §2634.401(a).

independent trustee, who makes investment decisions of the individual's benefit without the individual's knowledge."<sup>53</sup> Further, the trustee must

be an independent financial institution, lawyer, certified public accountant, broker, or investment advisor; there may be no restrictions on the disposal of the trust assets; [and] the trust instrument must limit communications between the trustee and interested parties.<sup>54</sup>

Some may consider QBTs to be expensive to establish and maintain.<sup>55</sup> Accordingly, some supervising ethics offices have determined that they are not always an appropriate remedy when other solutions might be available.<sup>56</sup>

Qualified blind trusts can serve as a way to “immunize” a public official “from potential conflicts of interest stemming from assets held in the trust because the legislator-beneficiary would have no knowledge of the impact of official actions on [their] personal financial interests.”<sup>57</sup> If a covered official places their assets in a qualified blind trust they are separated from the day-to-day decision making about their holdings, which may serve to remedy potential conflicts that might arise from decision-making that could impact their individual holdings.

The creation of a significant number of new qualified blind trusts could present administrative challenges to the House and Senate. In a scenario where all Representatives, Delegates, and the Resident Commissioner, and Senators, were required to create a qualified blind trust within a certain number of days of enactment, the review and certification process currently used by the House Ethics Committee and the Senate Select Committee on Ethics could be strained. A similar scenario, albeit with a smaller number of individuals, could occur at the beginning of each subsequent Congress, as newly elected Members would have a deadline by which they would need to seek approval of their trust documents. Should Congress enact a proposal to require the use of qualified blind trusts, the House Committee on Ethics and the Senate Select Committee on Ethics might require additional resources to conduct necessary reviews and certifications.

The House and Senate do not currently appear to publish data on the number of qualified blind trusts reviewed or certified. The House Ethics Committee and the Senate Select Committee on Ethics, however, do report the total number of financial disclosure and periodic transaction reports that each receives annually. Each year, the House Ethics Committee and the Senate Select Committee on Ethics review thousands of filings. The addition of qualified blind trusts for hundreds of filers could significantly add to their review and certification workload.<sup>58</sup>

<sup>53</sup> U.S. Congress, Senate Select Committee on Ethics, *Qualified Blind Trusts*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., September 2015, p. 1, [https://www.ethics.senate.gov/public/\\_cache/files/286a4cf9-5aab-40ef-9a6c-b12278e79e38/qualified-blind-trusts-guide---october-2020.pdf](https://www.ethics.senate.gov/public/_cache/files/286a4cf9-5aab-40ef-9a6c-b12278e79e38/qualified-blind-trusts-guide---october-2020.pdf). [Hereinafter *Qualified Blind Trusts*]

<sup>54</sup> U.S. Congress, House Committee on Ethics, “Trusts,” *Specific Disclosure Requirements*, <https://ethics.house.gov/financial-disclosure/specific-disclosure-requirements>.

<sup>55</sup> *Qualified Blind Trusts*, p. 2. See also, National Conference of State Legislators, “Blind Trusts,” <https://www.ncsl.org/research/ethics/blind-trusts.aspx>.

<sup>56</sup> *Qualified Blind Trusts*, p. 2. For a discussion of financial conflict of interest remedies, including disqualification (recusal), divestiture, waivers, trusts, and reassignment or resignation, see CRS InFocus 11904, *Financial Disclosure: Identifying and Remediating Conflicts of Interest in the Executive Branch*, by Jacob R. Straus. Similar, but not necessarily the same, remediation options are available in the House and Senate, depending on the filer's role within Congress. Additionally, in some cases, the supervising ethics office can determine that “the financial interest may be deemed too remote or inconsequential ... to affect the integrity of an employee's service and as such is not deemed a conflict.” See U.S. Government Accountability Office, *Presidential Transition: Information on Ethics, Funding, and Agency Services*, GAO-17-615R, September 7, 2017, p. 11, <https://www.gao.gov/assets/gao-17-615r.pdf#page=11>.

<sup>57</sup> National Conference of State Legislators, “Blind Trusts.”

<sup>58</sup> Using data from the 118<sup>th</sup> Congress (2023-2024), the House reported that it received 9,979 financial disclosure reports and (continued...)

## Change to Public Access to Disclosure Filings

Current law requires Members of Congress to file public financial disclosure and periodic transaction reports.<sup>59</sup> For Representatives and Senators, periodic transaction reports and financial disclosure reports are available for public inspection on the Clerk of the House's and Secretary of the Senate's websites, respectively.<sup>60</sup>

Some proposals would require Members of Congress to certify compliance with their supervising ethics office—the House Ethics Committee or the Senate Select Committee on Ethics—in writing,<sup>61</sup> and some would require the supervising ethics office to post compliance certificates on a web page.<sup>62</sup> At least one bill would require certifying compliance with the Clerk of the House of Representatives or the Secretary of the Senate (depending on whether the Member is a Representative or a Senator), rather than the House or Senate Ethics Committee, who would then post the certification on a public website.<sup>63</sup>

## Penalties for Non-Compliance

Some legislative proposals would create penalties for noncompliance. These proposals suggest two basic penalty strategies: fining individuals for noncompliance and/or publishing the names of individuals who are found in violation of the law on a public web page. Proposed penalties include

- specific monetary fines,<sup>64</sup>
- civil penalties of not less than 10% of the value of the covered investment,<sup>65</sup>
- “disgorgement” to the U.S. Treasury of any profit from transactions or holdings,<sup>66</sup>
- application of penalties in Title 18, Section 216, of the *U.S. Code*,<sup>67</sup> and
- criminal penalties of fines and jail time.<sup>68</sup>

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amendments and 2,775 periodic transaction reports filed by Members, officers, and employees of the House. In the Senate, in the Senate Select Committee on Ethics reported that it received 4,323 public financial disclosure and periodic disclosure of financial transactions reports in 2024, and 4,126 in 2023. House Ethics Committee, *Summary of Activities One Hundred Eighteenth Congress*, 118<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 118-973, p. 2, <https://ethics.house.gov/wp-content/uploads/2025/01/Summary-of-Activities-118th.pdf>; U.S. Congress, Senate, Select Committee on Ethics, “Annual Report of the Select Committee on Ethics 118<sup>th</sup> Congress, Second Session,” January 31, 2024, [https://www.ethics.senate.gov/public/\\_cache/files/0b4dcd3-434e-4217-9108-28d28dc3a92c/annual-report-for-2023.pdf](https://www.ethics.senate.gov/public/_cache/files/0b4dcd3-434e-4217-9108-28d28dc3a92c/annual-report-for-2023.pdf); and U.S. Congress, Senate, Select Committee on Ethics, “Annual Report of the Select Committee on Ethics 119<sup>th</sup> Congress, First Session,” January 31, 2025, [https://www.ethics.senate.gov/public/\\_cache/files/173ff81b-daae-47b9-af78-1f67c0dd82a9/annual-report-for-2024.pdf](https://www.ethics.senate.gov/public/_cache/files/173ff81b-daae-47b9-af78-1f67c0dd82a9/annual-report-for-2024.pdf).

<sup>59</sup> 5 U.S.C. §13103; P.L. 112-105, §§.

<sup>60</sup> U.S. Congress, House, Clerk of the House of Representatives, “Financial Disclosure Reports,” <https://disclosures-clerk.house.gov/FinancialDisclosure>; and U.S. Congress, Senate, Secretary of the Senate, Senate Office of Public Records, “Financial Disclosure,” [https://www.senate.gov/pagelayout/legislative/g\\_three\\_sections\\_with\\_teasers/lobbyingdisc.htm](https://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm).

<sup>61</sup> H.R. 3001, Title V; H.R. 4036; H.R. 3849/S. 1803; H.R. 5827, Title V; and S. 2877.

<sup>62</sup> H.R. 253; H.R. 358; H.R. 3388; H.R. 3779; H.R. 4036; and S. 1498.

<sup>63</sup> H.R. 396.

<sup>64</sup> H.R. 253; H.R. 358; H.R. 1712/S. 1620; H.R. 1756; H.R. 1908; H.R. 3182; H.R. 3635; H.R. 4036; and S. 2143.

<sup>65</sup> H.R. 3388; H.R. 5106; S. 1498; S. 2143; and S. 2877. S. 1498, as ordered to be reported, would impose a civil penalty “equal to the greater of—(i) the monthly equivalent of the annual rate of pay payable to the covered person; and (ii) an amount equal to 10 percent of the value of each covered investment that was not divested in violation of this section during the period covered by the penalty.”

<sup>66</sup> H.R. 358; H.R. 1712/S. 1620; H.R. 3388; H.R. 5106; and S. 1668.

<sup>67</sup> H.R. 3573.

<sup>68</sup> H.R. 3849/S. 1803; S. 1668; and S. 2143.

Additionally, some would require the respective ethics committees to publish the names of individuals found in violation of the proposed amendments,<sup>69</sup> one proposal would require the supervising ethics offices to publish fines on a public website,<sup>70</sup> and three proposals would specifically prohibit the use of House or Senate official funds or campaign funds to pay civil fines.<sup>71</sup>

Under current law, a covered individual who fails to file financial disclosure and/or periodic transaction reports or who files false reports may be subject to certain civil actions, generally after the supervising ethics office investigates the circumstances. Should the supervising ethics office find “reasonable cause to believe [the filer] has willfully failed to file or report or willfully falsified or willfully failed to file information required to be reported,” it may refer the case to the Attorney General.<sup>72</sup> Further, the Ethics in Government Act specifies that

The Attorney General may bring a civil action in any appropriate United States district court against any individual who knowingly and willfully falsifies or who knowingly and willfully fails to file or report any information that such individual is required to report pursuant to section 102. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed \$50,000.<sup>73</sup>

Alternatively, the law also provides that the supervising ethics office “may take any appropriate personnel or other action in accordance with applicable law or regulation against any individual failing to file a report or falsifying or failing to report information required to be reported.”<sup>74</sup>

For Congress, the House Committee on Ethics and the Senate Select Committee on Ethics provide additional interpretation of penalties for financial disclosure. The House incorporates the financial disclosure requirements into Rule XXVI.<sup>75</sup> The Senate incorporates financial disclosure requirements into Rule XXXIV.<sup>76</sup> Both committees, using identical language, also note that “in addition to Committee action, the EIGA [Ethics in Government Act] authorize[s] the Attorney General of the United States to seek a civil penalty ... against an individual who knowingly and willfully falsifies or fails to file or report any required information.”<sup>77</sup>

## Concluding Considerations for Congress

Since at least the 115<sup>th</sup> Congress, legislative proposals have sought to limit or prohibit Representatives and Senators, and other legislative branch staff from engaging in certain financial activities. As noted above, in the 119<sup>th</sup> Congress, at least 25 measures have been introduced to date. Taken together, the legislative proposals include a range of options to limit or prohibit certain financial activities. These include prohibiting the holding, purchasing, selling, and active management of covered assets; requiring the use of qualified blind trusts to remediate real or perceived financial conflicts of interest; increasing public access for financial disclosure documents; and amending penalties for noncompliance. Each of

<sup>69</sup> H.R. 3388/S. 1498.

<sup>70</sup> H.R. 5106.

<sup>71</sup> H.R. 253; H.R. 4036; and H.R. 5106.

<sup>72</sup> 5 U.S.C. §13106(b).

<sup>73</sup> 5 U.S.C. §13106(a)(1).

<sup>74</sup> 5 U.S.C. §13106(c).

<sup>75</sup> U.S. Congress, House, “Rule XXVI-Financial Disclosure,” *Constitution, Jefferson’s Manual, and Rules of the House of Representatives of the United States One Hundred Eighteenth Congress*, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., 2023, H.Doc. 117-161, §1103, p. 1034, <https://www.govinfo.gov/content/pkg/HMAN-118/pdf/HMAN-118.pdf#page=1047>.

<sup>76</sup> U.S. Congress, Senate, Committee on Rules and Administration, “Rules of the Senate,” <https://www.rules.senate.gov/rules-of-the-senate>.

<sup>77</sup> *House Ethics Manual*, “Failure to File or Filing False Disclosure Information,” p. 274; and *Senate Ethics Manual*, p. 127.

these options likely has advantages and disadvantages should Congress choose to implement a particular measure as introduced or incorporate various concepts into another measure. Additionally, Congress might decide that requirements for financial disclosure under current law are sufficient.

Policymakers may consider, among other issues, the scope of the proposals, the proposed benefits of a particular action, any potential administrative adjustments that might be necessary to implement a modification of ethics laws, and the potential costs to covered officials to comply with the proposed laws. Subsequently, Congress might consider several questions. These could include the following:

- Should new requirements apply only to Members of Congress, or also to their spouses and dependent children?
- Should new requirements apply to officials in the executive or judicial branches of government?
- Should congressional officers and staff be subject to the same disclosure and public access considerations as Members of Congress?
- What penalties are appropriate for violations of new or existing requirements and are proposed penalties sufficient to achieve congressional aims?
- What is the financial cost for establishing qualified blind trusts and how might covered officials pay for the establishment of such trusts?

Chairman STEIL. Thank you, Mr. Straus.

I thank all of our witnesses for being here today.

I will begin questions, and then followed by the Ranking Member.

I want to start today with the clear statement that no Member of Congress should be utilizing inside information for personal profit.

Mr. Savickas and Mr. Copland, do you both agree that we should, at a minimum, update the STOCK Act, yes?

Mr. COPLAND. Yes, certainly to that effect.

Chairman STEIL. Mr. Savickas?

Mr. SAVICKAS. Yes.

Chairman STEIL. OK.

Then I think one of the questions is, what can we do to accomplish the ultimate goal at making sure that Members of Congress are not profiting from inside information?

I sometimes go back and think about the situation that occurred here 5 years ago. On February 13, 2020, as we were heading into the COVID pandemic, the chair of the Senate Intelligence Committee called his stockbroker and sold all but one equity in his entire portfolio, for a tune of \$1.6 million.

If you are the chair of the Intelligence Committee, almost by definition, you have information that is not available to the public. At an absolute minimum, that is an appearance of impropriety.

The SEC and others looked into this, and their challenge, of course, is, can you prove this beyond a reasonable doubt, which is the standard for prosecution under insider trading?

Then we have to look and explore what reforms need to be made to make sure that this type of action does not happen again.

Mr. Copland, in your testimony, you stated that no Member of Congress has ever been prosecuted under the STOCK Act. We just talked about the instance that took place in the Senate. Why do you think that is the case, that no prosecutions have come under the STOCK Act?

Mr. COPLAND. Partly for the burden of proof you talked about. I mean, reasonable doubt is relatively high. You have to have a scienter requirement or a knowledge requirement.

Also, you know, the way the STOCK Act is structured is, it is a self-policing—in other words, you have your own House and Senate Committees in charge of this. Now, there may be good reasons for that. You know, conflict among the branches is something you have to worry about. You have to worry about, you know, an executive branch run by one party going after the Members or Senators of another party and things like—

Chairman STEIL. We have seen that plenty of times.

Mr. COPLAND [continuing]. that.

You know, that is my hypothesis. You know, I would not infer from the lack of prosecutions that nothing bad has happened, right?

Chairman STEIL. I would completely agree with you, that from the lack of prosecutions, it is not because nothing bad has happened; it is because the standard for insider trading is incredibly high to prove. It happens on occasion. There are Members that have been charged and convicted of insider trading. Under the

STOCK Act, we are looking for Congress to police itself without the traditional apparatus of a judicial process.

I want to dive in a little bit into some of the proposals that came before us. The Restore Trust in Congress Act is one of the bills that have come before us. In that, it picks up things other than just stocks; it picks up commodities and other items.

I talked to a couple friends of mine who own farms and said, "If you were to become a Member of Congress, how would this impact you? Could you operate your family farm with no trading of commodities whatsoever?" Let us say you raise soybeans, you grow corn.

We want to have people that represent a wide array of backgrounds, whether that is a business background, a military service background, a farming background.

Is that something—how should we think about that, Mr. Copland?

Mr. COPLAND. Yes, I think it is really important to think about the panoply of things that may be over-included and create some pretty obvious safe harbors so that we would not exclude people that we would want to be able to serve in this body.

Agriculture is a good example of that. The commodities business is complex and needs to be thought about.

There are other bills in front of the Committee, or in front of the House, that talk about other situations where you may have illiquid assets that are hard to divest of quickly, things like venture capital, private equity.

You know, we do not want to create a prophylactic rule that would exclude people who are successful from this body.

Chairman STEIL. Yes.

Mr. COPLAND. I mean, from John Hancock to George Washington, from the very beginning of this country, we have had very wealthy people that have—

Chairman STEIL. We are benefited from—

Mr. COPLAND [continuing]. served in public service. Yes.

Chairman STEIL [continuing]. the array of backgrounds that Members bring to this institution.

Mr. Savickas, just taking that one example, do you think that that would cause a challenge for somebody who has a family farm?

Mr. SAVICKAS. As far as I am aware, the Restore Trust in Congress Act has limited family exceptions for occupational-related investments, I think, to address the problem that you addressed here. I think—

Chairman STEIL. Some nuance and some regulations to say, if you have nothing to do with farming, you shouldn't be trading in cattle futures, but maybe if you have a giant cattle ranch, it may make sense in some regard.

As we think about profit, is pre-disclosure something you have thought about, Mr. Copland, on a way to remove the financial incentive of an individual?

Mr. COPLAND. I think pre-disclosure is something that we ought to consider. I mean, again, there may be exceptions. If someone has a large stake in a large enterprise and, you know, they are going to necessarily have to disclose in many cases already, but pre-disclosure could actually create trading opportunities in the market

and things like that, if you have someone very wealthy. For the vast majority of Members—

Chairman STEIL. It would have flushed out—

Mr. COPLAND [continuing]. it would not be an issue.

Chairman STEIL [continuing]. the case in the Senate, right? You would have had somebody, instead of calling their broker and nobody finding out for 45 days under the STOCK Act, if you had to make a notification you were going to sell a share in a month from now, the entire American public would be privy to that action.

Mr. COPLAND. In the ordinary case—

Chairman STEIL. Cognizant of the time, I am going to reclaim the time and yield back.

I will recognize the Ranking Member for his 5 minutes.

Mr. MORELLE. Thank you.

This Committee really needs to invest in microphones. It has turned on and off.

Anyway, thank you again—

Mr. GRIFFITH.

[Off-mike.]

Mr. MORELLE. I do thank, again, the witnesses for their testimony, both written and oral testimony.

Mr. SAVICKAS, thank you. I agree with a lot of things that you said in your testimony, as I did with the other witnesses. I think you are right when you point out that the elected officials' ability to trade based off of non-public information has eroded public trust.

You point out, rightly I think, that the Members of Congress have a unique ability to affect, in your words, the performance of the American economy and the global stock market.

Would you agree that the President of the United States has an even greater ability to affect the American economy and the global stock market?

Mr. SAVICKAS. I would agree it is at least on par. I would not compare the co-equal branches, as you mentioned in your opening statement. I think they are on the same level.

Mr. MORELLE. Yes. Well, that is interesting. I am not sure that most people would think that the President of the United States is on equal par with any single rank-and-file Member of Congress, but if that is your testimony.

Mr. SAVICKAS. Sure. I should have clarified. I think as—Congress as a whole.

Mr. MORELLE. Gotcha. Gotcha.

I would take it, your analysis that elected officials' ability to enrich themselves according to the interests of their stock portfolio as opposed to what may be in the best interests of the American people, that risk would extend to the President as well?

Mr. SAVICKAS. I would agree.

Mr. MORELLE. Gotcha.

I have an article here, which I do want to ask in just a moment for it to be included with unanimous consent, but—“[The President] Invests in Media Merger His Administration Controls.”

It reported that, on September 19th, just 2 months ago, the President bought up to \$1 million in Warner Brothers Discovery bonds, giving him a personal financial interest in the company.

Several media outlets, including the New York Post, which I would argue is a pretty conservative publication—report that the President has privately signaled his strong support of Paramount’s bid to buy Warner Brothers Discovery, a merger that, if successful, would increase the price of the Warner Brothers bonds and result in a significant profit for the President.

This is on the back of other corporate bond purchases made by the President, including Goldman Sachs, J.P. Morgan, Boeing, and UnitedHealth, during his Presidency.

Mr. Savickas, it is clear the President has a unique ability to affect the U.S. and global economy and he has the power to influence these companies’ bottom lines.

Would you say that the American people could view actions like the President’s—or any other person who was President, not this specific one, who took those—as a significant conflict of interest?

Mr. SAVICKAS. I would agree.

Mr. MORELLE. Yes.

I do want to—Americans have this perception that Washington is completely saturated with corruption. Based on reporting like this, it is kind of hard to blame them.

Why should the President get to enrich him or herself to rig the rules of the game while everyday Americans are struggling with the cost of living, with surging inflation, rising costs? I mean, is that not something we should be equally concerned about as we are with Members of Congress?

Mr. SAVICKAS. Representative, I think anyone should be concerned. The term “public servant” is bandied about a lot in this town, but those words actually mean something. I think executive branch, legislative branch, the American public should be confident that their elected officials are there to serve them, not themselves.

Mr. MORELLE. Very good. Thank you.

Mr. Straus, first of all, thanks as well. I did read your testimony with great interest, both that and the recent CRS report that analyzed recently introduced legislation, some of which is in your testimony.

I have said this clearly; I support the Members of Congress having a ban on trading individual stocks. I also, it is clear from my questioning, think that ought to be extended to the executive and judicial branches.

Can I ask you, are there bills that have been introduced or faced Committee consideration in either the House or Senate that would extend a prohibition on security ownership or trading to any branch of Government beyond the legislative branch?

Mr. STRAUS. Thank you for your question, Congressman.

As you know, there are currently 25 introduced measures. Four of them would amend House rules, so they discuss a prohibition only for House Members. At least eight other measures would include executive branch officials.

Mr. MORELLE. Gotcha.

Of the various legislative proposals introduced this Congress, do they all consider the same list of financial instruments, or is there a variation among the various bills?

Mr. STRAUS. There are common types of assets that are included in many of the proposals both as covered and excluded assets, as

I testified to before. A full list of those can be found in the report. There are common assets in both categories among all the proposals.

Mr. MORELLE. If I might, how many of the bills include cryptocurrencies or other digital assets? Do you know?

Mr. STRAUS. Yes. At least 10 of those measures covered in the CRS report and the testimony include digital assets among the covered assets.

Mr. MORELLE. Very good.

I am so sorry we only have 5 minutes, but let me just, if I might, ask unanimous consent to enter into the record five documents: a CRS report by Mr. Straus titled "Proposals to Limit Member of Congress Financial Activities: Analysis of Introduced Legislation in the 119th Congress"; a November 17, 2025, article, headline: "Trump Invests in Media Merger His Administration Controls"; a bipartisan letter from our colleagues asking us to take action on this issue; a statement for the record from Citizens for Responsibility and Ethics in Government in Washington; and a statement for the record from Democracy Defenders Action.

Chairman STEIL. Without objection to the full list.

[The documents referred to follow:]



## **Proposals to Limit Member of Congress Financial Activities: Analysis of Introduced Legislation in the 119<sup>th</sup> Congress**

Updated September 17, 2025

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**SUMMARY**

R48641

September 17, 2025

**Jacob R. Straus**  
Specialist on the Congress

## Proposals to Limit Member of Congress Financial Activities: Analysis of Introduced Legislation in the 119<sup>th</sup> Congress

In recent years, some Members of Congress have proposed reforms that would prohibit the purchase, sale, or ownership of certain financial instruments by Members of Congress and other specified congressional officers and employees. In the 117<sup>th</sup> Congress (2021-2022), the Committee on House Administration held a hearing on these proposals, with several Members and witnesses focused on legislative proposals to require divestiture, limit the sale or purchase of certain assets, and enhance public disclosure.

Members of the House of Representatives and Senate are not currently required by law or by House or Senate rules to divest themselves of assets or holdings upon taking office. Legislation has been introduced to propose limitations on the financial activities of Members of Congress as a potential means to address real or perceived conflicts of interest. Analysis of introduced legislation reveals several options should the House and/or Senate desire to limit financial activities for Members of Congress, spouses and dependent children, and covered officers and staff. These measures propose to prohibit or limit covered individuals from the holding, purchase, sale, and/or active management of certain types of financial assets; to define the assets that would be included and excluded from filing requirements; to allow or require certain assets to be placed in qualified blind trusts; to broaden public access to Member financial disclosure statements and other filings; and to amend or create penalties for noncompliance.

This report examines bills and resolutions introduced in the 119<sup>th</sup> Congress (2025-2026) that propose to limit or prohibit Members of Congress from owning, buying, or selling certain assets. The report provides an overview of current financial disclosure requirements for Members of Congress and covered congressional employees, analyzes bills in the current Congress that would limit or prohibit certain financial activities by Members of Congress, and discusses the most common approaches included in the introduced legislation. For analysis of similar proposals between the 115<sup>th</sup> Congress (2017-2018) and the 118<sup>th</sup> Congress (2023-2024), see CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*, by Jacob R. Straus.

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## Introduction

Federal government officials and employees, including Members of Congress, are expected to place “loyalty to the Constitution, laws and ethical principles above private gain” when taking official action.<sup>1</sup> In 1978, Congress used this guiding principle to enact the Ethics in Government Act (EIGA), which created the current government ethics program to “preserve and promote the integrity of public officials and institutions.”<sup>2</sup>

Two current federal laws—the EIGA and the Stop Trading on Congressional Knowledge (STOCK) Act—require financial disclosures that can be used to understand covered federal officials’ financial holdings and activities.<sup>3</sup> In the 119<sup>th</sup> Congress (2025-2026), legislation has been introduced that proposes to limit or prohibit Members of Congress, their spouses and dependents, and/or other covered congressional employees from engaging in certain financial activities. To date, multiple measures have been introduced in the House of Representatives and the Senate. One of these measures—S. 1498 (as amended), the Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act—was ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on July 30, 2025.<sup>4</sup> Broadly, these proposals seek to go beyond disclosure—as required under the EIGA and the STOCK Act—to place limitations on financial ownership and transactions.

The proposals in the 119<sup>th</sup> Congress follow action in recent Congresses addressing similar issues, including a hearing in the Committee on House Administration in the 117<sup>th</sup> Congress (2021-2022).<sup>5</sup> For analysis of similar proposals between the 115<sup>th</sup> Congress (2017-2018) and the 118<sup>th</sup> Congress (2023-2024), see CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*, by Jacob R. Straus.

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<sup>1</sup> Code of Ethics for Government Service (H.Con.Res. 975 (1958), 72 Stat. B12). The standards included in the Code of Ethics for Government Service are still recognized as continuing ethics guidance in the House and Senate. They are not legally binding, because the code was adopted by congressional resolution, not by public law. The Code of Ethics for Government Service is cited by many House and Senate investigations. For example, see U.S. Congress, House Committee on Standards of Official Conduct, *Investigation of Certain Allegations Related to Voting on the Medicare Prescription Drug, Improvement, and Modernization Act of 2003*, report, 108<sup>th</sup> Cong., 2<sup>nd</sup> sess., H.Rept. 108-722 (2004), p. 38.

<sup>2</sup> P.L. 95-521, 92 Stat. 1824 (1978).

<sup>3</sup> Ethics in Government Act (EIGA): 5 U.S.C. §§13101-13111. STOCK Act: P.L. 112-105, 126 Stat. 291 (2012).

<sup>4</sup> U.S. Congress, Senate, Committee on Homeland Security and Governmental Affairs, “Homeland Security and Governmental Affairs Committee Advances Legislation and Nominations,” press release, July 31, 2025, <https://www.hsgac.senate.gov/media/rep/homeland-security-and-governmental-affairs-committee-advances-legislation-and-nominations>. See <https://www.hsgac.senate.gov/library/files/189492> for amendment text.

<sup>5</sup> U.S. Congress, Committee on House Administration, *Examining Stock Trading Reform for Congress*, hearing, 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., April 7, 2022, <https://www.govinfo.gov/content/pkg/CHRG-117hrg47699/pdf/CHRG-117hrg47699.pdf>; <https://cha.house.gov/committee-activity/hearings/examining-stock-trading-reforms-congress>; and <https://democrats-cha.house.gov/committee-activity/hearings/examining-stock-trading-reforms-congress>. See also, CRS Testimony TE10073, *Examining Stock Trading Reforms For Congress*, by Jacob R. Straus; and CRS Insight IN11860, *Stock Trading in Congress: 117th Congress Proposals to Limit or Prohibit Certain Financial Transactions*, by Jacob R. Straus.

## Laws Governing Financial Disclosure

### Ethics in Government Act

Under the EIGA, covered employees in all three branches of government are required to file financial disclosure statements.<sup>6</sup> As amended,<sup>7</sup> the EIGA requires covered officials and employees to file annual financial disclosure statements that report, among other items, “income, gifts, liabilities, property—both real property and business-related personal property—positions in business enterprises and other organizations and also any agreements relating to post-Government employment.”<sup>8</sup> Covered legislative branch employees include Representatives, Senators, Delegates, the Resident Commissioner,<sup>9</sup> and certain senior congressional staff.<sup>10</sup> These officials file their financial disclosure statements with their supervising ethics office.<sup>11</sup> For the House of Representatives, covered officials file with the Clerk of the House of Representatives and the House Ethics Committee.<sup>12</sup> For the Senate, covered officials file with the Secretary of the Senate and the Senate Select Committee on Ethics.<sup>13</sup>

<sup>6</sup> 5 U.S.C. §13103.

<sup>7</sup> P.L. 101-194, 103 Stat. 1724 (1989); P.L. 112-105, 126 Stat. 291 (2012).

<sup>8</sup> U.S. Congress, House Committee on the Judiciary, *Ethics in Government Act of 1977*, report to accompany H.R. 1, 95<sup>th</sup> Cong., 1<sup>st</sup> sess., November 2, 1977, H.Rept. 95-800, November 2, 1977, p. 16. See also 5 U.S.C. §13104.

<sup>9</sup> 5 U.S.C. §13101(12); and 5 U.S.C. §13103(f)(9).

<sup>10</sup> 5 U.S.C. §13101(13). See also U.S. Senate, Select Committee on Ethics, “Rule XXXIV, Public Financial Disclosure,” *The Senate Code of Conduct*, 114<sup>th</sup> Cong., 1<sup>st</sup> sess., March 2015, p. 1, [https://www.ethics.senate.gov/public/\\_cache/files/efa7b74-4a50-46a5-bb6f-b8d26b9755bf/2015—red-book—the-senate-code-of-official-conduct.pdf#page=7](https://www.ethics.senate.gov/public/_cache/files/efa7b74-4a50-46a5-bb6f-b8d26b9755bf/2015—red-book—the-senate-code-of-official-conduct.pdf#page=7); and U.S. Congress, House, Committee on Ethics, “Financial Disclosure Overview,” <https://ethics.house.gov/financial-disclosure>.

<sup>11</sup> 5 U.S.C. §§13101(12)-(13); and 5 U.S.C. §13103(f)(9)-(10). The *House Ethics Manual* defines financial disclosure filers as “all Members of the House and those House employees earning—above GS-15, that is, at least 120% of the federal GS-15 base level salary, for at least 60 days during the calendar year.” U.S. Congress, House Committee on Standards of Official Conduct, *House Ethics Manual*, “Who Must File,” 117<sup>th</sup> Cong., 2<sup>nd</sup> sess., December 2022, p. 262, <https://ethics.house.gov/wp-content/uploads/2023/12/Dec-2022-House-Ethics-Manual-website-version.pdf#page=276> (hereinafter, *House Ethics Manual*). For CY 2025, “GS-15, step 1, basic pay rate for CY 2025 is \$125,123. The applicable 120% calculation for that rate is therefore \$150,160, or a monthly salary of equal to or more than \$12,513. This rate is referred to as the ‘senior staff rate.’” U.S. Congress, House, Committee on Ethics, “The 2025 Outside Earned Income Limit and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions Applicable to House Officers and Employees,” *Pink Sheet*, March 12, 2025, p. 3, <https://ethics.house.gov/wp-content/uploads/2025/03/FINAL-2025-Annual-Pay-Memo.pdf>. The Senate uses the same definition for filers. See U.S. Congress, Senate, Select Committee on Ethics, “Chapter 5: Financial Disclosure,” *Senate Ethics Manual*, 2003 edition, p. 125, [https://www.ethics.senate.gov/public/index.cfm/files/serve?File\\_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=137](https://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=137) (hereinafter, *Senate Ethics Manual*).

<sup>12</sup> 5 U.S.C. §13105(h)(1)(A); 5 U.S.C. §13105(j); and 5 U.S.C. §13107. U.S. Congress, House, Office of the Clerk of the House of Representatives, *Financial Disclosure Reports*, <https://disclosures-clerk.house.gov/PublicDisclosure/FinancialDisclosure/>; and U.S. Congress, House, Committee on Ethics, “Financial Disclosure,” <https://ethics.house.gov/financial-disclosure>.

<sup>13</sup> 5 U.S.C. §13105(h)(1)(B); 5 U.S.C. §13105(j); 5 U.S.C. §13107; and Senate Rule XXXIV. To access financial disclosure filings, click on the “Financial Disclosure” tab at U.S. Congress, Senate, Secretary of the Senate, “Senate Public Financial Disclosure (Senate Rule 34), *Public Disclosure*, [https://www.senate.gov/pagelayout/legislative/g\\_three\\_sections\\_with\\_teasers/lobbyingdisc.htm](https://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm). Also see U.S. Congress, Senate, Select Committee on Ethics, “Financial Disclosure,” <https://www.ethics.senate.gov/public/index.cfm/financialdisclosure>; and *Senate Ethics Manual*, “Chapter 5: Financial Disclosure,” [https://www.ethics.senate.gov/public/index.cfm/files/serve?File\\_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=135](https://www.ethics.senate.gov/public/index.cfm/files/serve?File_id=f2eb14e3-1123-48eb-9334-8c4717102a6e.pdf#page=135).

## STOCK Act

The STOCK Act,<sup>14</sup> as amended, affirms that Members of Congress, congressional employees, and other federal officials are not exempt from “insider trading” laws and regulations.<sup>15</sup> Under the STOCK Act amendments to the EIGA, covered individuals—primarily those who already file financial disclosure statements, including Members of Congress, officers, and covered congressional employees—must report financial transactions (e.g., sales and purchases of stocks, bonds, commodity futures, and other securities) that exceed \$1,000 within 45 days of the transactions.<sup>16</sup> Periodic transaction reports are filed in the same manner as the covered individuals’ annual financial disclosures. For Members of Congress, both their financial disclosure forms and their periodic transactions reports are available for public inspection from the Clerk of the House (for Representatives) or the Secretary of the Senate (for Senators).<sup>17</sup>

## Current Limitations on Financial Activities

Neither current law nor House or Senate rules prohibit Members of the House of Representatives, Senators, and most covered congressional employees from owning specific assets. Members are also not required to divest themselves of assets or holdings upon taking office,<sup>18</sup> although it may be an option for remediating real or perceived conflicts of interest.<sup>19</sup> In the Senate, Senate Rule

<sup>14</sup> P.L. 112-105, 126 Stat. 291 (2012). The STOCK Act was renamed the Rep. Louise McIntosh Slaughter Stop Trading on Congressional Knowledge Act by P.L. 115-277, 132 Stat. 4167, (2018).

<sup>15</sup> For more information on insider trading, see CRS In Focus IF11966, *Insider Trading*, by Jay B. Sykes. The STOCK Act (P.L. 112-105, §13) also prohibits Members, officers, and employees who file financial disclosure statements from participating in initial public offerings (IPOs). In a February 2019 memorandum to House Members, officers, and employees, the House Ethics Committee noted that “while interpretation and enforcement of the STOCK Act regarding participation in IPOs is chiefly within the jurisdiction of the SEC and Department of Justice, the opinion of the Committee is that, as drafted, the STOCK Act prohibits only the filer from participating in IPOs, but not the filer’s spouse or dependent child, assuming the assets used for the purchase and the securities purchased are wholly owned by the spouse or dependent child, separate and independent of the filer.” See U.S. Congress, House Committee on Ethics, *Summary of Activities One Hundred Sixteenth Congress*, 116<sup>th</sup> Cong., 2<sup>nd</sup> sess., December 31, 2020, H.Rept. 116-703, p. 47, note 18, <https://www.congress.gov/116/crpt/hrpt703/CRPT-116hrpt703.pdf#page=53> (hereinafter House Ethics Committee, *Summary of Activities 116<sup>th</sup> Congress*).

<sup>16</sup> P.L. 112-105, §6(a). Covered filers are required by the EIGA to “report on their annual FD Statement each purchase, sale, or exchange transaction involving real property held for investment, stocks, bonds, commodities futures, or other securities (including cryptocurrencies and options) made by the filer, their spouse, or dependent child when the amount of the transaction exceeds \$1,000. For sales transactions, the \$1,000 threshold is based on the total dollar value of the transaction, not the gain or loss made on the sale.” See House Ethics Committee, *Summary of Activities 116<sup>th</sup> Congress*, p. 44. For more information, see U.S. Congress, House, Committee on Ethics, “Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirements,” June 11, 2020; and U.S. Congress, Senate, Select Committee on Ethics, “STOCK Act Requirements for Senate Staff,” June 15, 2012 [https://www.ethics.senate.gov/public/\\_cache/files/e63d0a27-19b2-4bf3-b26e-9073ff179e3e/stock-act-requirements-for-senate-staff-1-.pdf](https://www.ethics.senate.gov/public/_cache/files/e63d0a27-19b2-4bf3-b26e-9073ff179e3e/stock-act-requirements-for-senate-staff-1-.pdf).

<sup>17</sup> 5 U.S.C. §13107. For Representatives and Senators, periodic transaction reports and financial disclosure reports are available for public inspection on the Clerk of the House’s and Secretary of the Senate’s websites, respectively. Periodic transaction reports and financial disclosure reports for officers and other covered congressional employees are not available for public inspection. P.L. 113-7, §1(a)(1), 127 Stat. 438 (2013).

<sup>18</sup> *House Ethics Manual*, pp. 234, 247-248, 250, 369; and *Senate Ethics Manual*, p. 124.

<sup>19</sup> 5 U.S.C. §13108(b)(3). That section states “If ... a person designated by a congressional ethics committee ... reaches an opinion under paragraph (2)(B) that an individual is not in compliance with applicable law and regulations, the official or committee staff shall notify the individual of that opinion and, after an opportunity for personal consultation (if practicable), determine and notify the individual of which steps, if any, would in the opinion of such official or committee be appropriate for assuring compliance with such laws and regulations and the date by which such steps should be taken. Such steps may include, as appropriate—(A) divestiture; (B) restitution; (C) the establishment of a (continued...)”

37(7) generally requires certain committee staff to divest themselves of “any substantial holdings which may be directly affected by the actions of the employing committee, unless the Ethics Committee after consultation with the employee’s supervisor approves other arrangements.”<sup>20</sup>

The *House Ethics Manual* directly addresses the potential for divestiture by a Representative. It states

Members of Congress enter public service owning assets and having private investment interest like other citizens. Members should not “be expected to fully strip themselves of worldly goods.” Even a selective divestiture of potentially conflicting assets could raise problems for a legislator. Unlike many officials in the executive branch, who are concerned with administration and regulation in a narrow area, a Member of Congress must exercise judgment concerning legislation across the entire spectrum of business and economic endeavors. Requiring divestiture may also insulate legislators from the personal and economic interests held by their constituencies, or society in general, in governmental decisions and policy.<sup>21</sup>

Similarly, the *Senate Ethics Manual* states

The drafters of the original Senate Code of Official Conduct, in the 95<sup>th</sup> Congress, considered “full and complete public financial disclosure” to be “the heart of the code of conduct.” Financial interests and investments of Members and employees, as well as those of candidates for the Senate, may present conflicts of interest with official duties. Members and employees (with the exception of certain committee staffers) need not, however, divest themselves of assets upon assuming their positions, nor must Members disqualify themselves from voting on issues that generally affect their personal financial interests. Instead, public financial disclosure provides the mechanism for monitoring and deterring conflicts.<sup>22</sup>

While Members are not generally prohibited from owning particular assets, some executive branch agencies do place limitations on their employees. For example, the U.S. Postal Service has supplemental Standards of Ethical Conduct that include a list of prohibited financial interests for members of the Board of Governors.<sup>23</sup>

## Proposed Limitations on Financial Activities

To date, multiple measures have been introduced in the 119<sup>th</sup> Congress that propose limitation on Member of Congress financial activities.<sup>24</sup> These measures propose different variations of

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blind trust; (D) request for an exemption under section 208(b) of title 18; or (E) voluntary request for transfer, reassignment, limitation of duties, or resignation.”

<sup>20</sup> See *Senate Ethics Manual*, pp. 70-71, 124, 218-220; and U.S. Senate, Committee on Rules and Administration, “Rule XXXVII: Conflict of Interest,” *Rules of the Senate*, <https://www.rules.senate.gov/rules-of-the-senate>. Covered staff include “committee staff paid at a rate of pay in excess of \$25,000 a year and employed for more than 90 days.”

<sup>21</sup> *House Ethics Manual*, p. 260.

<sup>22</sup> *Senate Ethics Manual*, pp. 70-71, 124. Covered Senate staff include “committee staff paid at a rate of pay in excess of \$25,000 a year and employed for more than 90 days.” They are required to “divest themselves of any substantial holdings which may be directly affected by the actions of the employing committee, unless the Ethics Committee after consultation with the employee’s supervisor approves other arrangements.”

<sup>23</sup> 5 C.F.R. §7001.104.

<sup>24</sup> Not included in this report is H.Res. 200, which would express support for—but would not authorize implementation of—a comprehensive political reform plan that, among other items, would ban “Members of Congress from holding and trading individual stocks during the Member’s tenure and requires Members of Congress, as well as any spouse or dependent child of a Member, to place specified investments into a qualified blind trust until 180 days after the end of (continued...)”

affected congressional officials and employees (including, in some cases, spouses and dependents); required actions, including public access to compliance documents and use of qualified blind trusts; penalties; and covered and excluded assets.

**Table A-1**, in this report's appendix, includes the measure number, the measure title, the covered affected congressional individuals, the proposed action, the timeline, the proposed penalty, covered assets, and exempted assets.

To date, one bill—S. 1498—has been considered. On July 30, 2025, the Senate Committee on Homeland Security and Governmental Affairs voted to report S. 1498, as amended.<sup>25</sup> S. 1498 would prohibit Members of Congress, their spouses, and their dependent children from owning, purchasing, or trading covered assets.<sup>26</sup>

### Affected Congressional Parties

Each measure would limit the ability of Members of Congress to engage in covered transactions. Five measures would only apply to Members of the House of Representatives.<sup>27</sup> In addition to Members of Congress, most measures would extend the proposed limitations to Members' spouses and dependents.<sup>28</sup> Some measures would include other individuals along with Members, spouses, and dependents. The additional covered parties would include

- Members' children-in-law,<sup>29</sup>
- Members' siblings, parents, and adult children,<sup>30</sup> and
- congressional officers and staff.<sup>31</sup>

### Proposed Actions

Each proposal aims to limit or restrict covered congressional parties from the ownership or sale of covered assets through amendments to the EIGA or the STOCK Act, the creation of new law, or a combination of the three. Additionally, several proposals would create public access requirements

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their tenure." Also not included in this report is H.Res. 665, which proposes to create a special rule for the consideration of H.R. 1908, and to adopt an amendment in the nature of a substitute for that measure. For an analysis of H.Res. 665, see **Table A-1**, note f.

<sup>25</sup> U.S. Congress, Senate, Committee on Homeland Security and Governmental Affairs, "Homeland Security and Governmental Affairs Committee Advances Legislation and Nominations," press release, July 31, 2025, <https://www.hsgac.senate.gov/media/rep/homeland-security-and-governmental-affairs-committee-advances-legislation-and-nominations>. See <https://www.hsgac.senate.gov/library/files/189492>, for amendment text. The amended text would change the bill name from the Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act to the Halting Ownership and Non-Ethical Stock Transactions Act (HONEST) Act.

<sup>26</sup> Sen. Jeff Merkley, "Committee Advances Peters, Hawley, Merkley, and Ossoff Bipartisan Legislation to Ban Member Stock Trading," press release, July 30, 2025, <https://www.merkley.senate.gov/committee-advances-peters-hawley-merkley-and-ossoff-bipartisan-legislation-to-ban-member-stock-trading>. Also see Paul M. Krawzak, "Senate Panel Approves Bill to Ban Elected Officials' Stock Trades," *CQ News*, July 30, 2025, <https://plus.cq.com/doc/news-8298254>.

<sup>27</sup> H.Res. 491; H.R. 3001, Title V; H.R. 2624, §5; and H.R. 3849/S. 1803.

<sup>28</sup> Spouse and dependents: H.R. 253; H.R. 396; H.R. 1712/S. 1620; H.R. 1756; H.R. 1908; H.R. 3779; H.R. 4036; H.R. 5106; S. 1879; and S. 1498. Spouses only: H.R. 358; H.R. 3182; H.R. 3388; and S. 1668.

<sup>29</sup> H.R. 3573.

<sup>30</sup> S. 2143.

<sup>31</sup> H.R. 3779.

for documents certifying Member compliance or provide additional guidance on the potential use of qualified blind trusts by covered officials.

### **Public Access to Compliance Documents**

Current law requires Members of Congress to file public financial disclosure and periodic transaction reports.<sup>32</sup> For Representatives and Senators, periodic transaction reports and financial disclosure reports are available for public inspection on the Clerk of the House’s and Secretary of the Senate’s websites, respectively.<sup>33</sup>

Some proposals would require Members of Congress to certify compliance with their supervising ethics office—the House Ethics Committee or the Senate Select Committee on Ethics—in writing,<sup>34</sup> and some would require the supervising ethics office to post compliance certificates on a web page.<sup>35</sup> At least one bill would require certifying compliance with the Clerk of the House of Representatives or the Secretary of the Senate (depending on whether the Member is a Representative or a Senator), rather than the House or Senate Ethics Committee, who would then post the certification on a public website.<sup>36</sup>

### **Qualified Blind Trusts**

Five proposals would allow or require the placement of covered assets in a qualified blind trust (QBT).<sup>37</sup> Under the EIGA,<sup>38</sup> a QBT “confer[s] on an independent trustee and any other designated fiduciary the sole responsibility to administer the trust and to manage trust assets without participation by, or the knowledge of, any interested party or any representative of an interested party.”<sup>39</sup> A QBT must meet certain requirements and receive approval from a filer’s supervisory ethics office (i.e., the House Ethics Committee or the Senate Select Committee on Ethics).<sup>40</sup>

<sup>32</sup> 5 U.S.C. §13103; P.L. 112-105, §8.

<sup>33</sup> U.S. Congress, House, Clerk of the House of Representatives, “Financial Disclosure Reports,” <https://disclosures-clerk.house.gov/FinancialDisclosure>; and U.S. Congress, Senate, Secretary of the Senate, Senate Office of Public Records, “Financial Disclosure,” [https://www.senate.gov/pagelayout/legislative/g\\_three\\_sections\\_with\\_teasers/lobbyingdisc.htm](https://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm).

<sup>34</sup> H.R. 3001, Title V; H.R. 4036; and H.R. 3849/S. 1803.

<sup>35</sup> H.R. 253; H.R. 358; H.R. 3388; H.R. 3779; H.R. 4036; and S. 1498.

<sup>36</sup> H.R. 396.

<sup>37</sup> H.R. 253; H.R. 358; H.R. 396; and H.R. 3849/S. 1803.

<sup>38</sup> 5 U.S.C. §13104(f)(3).

<sup>39</sup> 5 C.F.R. §2634.401(a).

<sup>40</sup> For more information on qualified blind trusts (QBTs), see “Blind or Diversified Trusts,” in CRS Report R47320, *Financial Disclosure in the U.S. Government: Frequently Asked Questions*, by Jacob R. Straus; and U.S. Congress, Senate Select Committee on Ethics, *Qualified Blind Trusts and Frequently Asked Questions*, 119<sup>th</sup> Cong., 1<sup>st</sup> sess., February 2025, [https://www.ethics.senate.gov/public/\\_cache/files/286a4c99-5aab-40ef-9a6c-bf2278e79e38/qualified-blind-trusts-guide—february-2025.pdf](https://www.ethics.senate.gov/public/_cache/files/286a4c99-5aab-40ef-9a6c-bf2278e79e38/qualified-blind-trusts-guide—february-2025.pdf).

## Proposed Penalties

Nine legislative proposals would create penalties for noncompliance. These proposals suggest two basic penalty strategies: fining individuals for noncompliance and/or publishing the names of individuals who are found in violation of the law on a public web page. Proposed penalties include

- specific monetary fines,<sup>41</sup>
- civil penalties of not less than 10% of the value of the covered investment,<sup>42</sup>
- “disgorgement” to the U.S. Treasury of any profit from transactions or holdings,<sup>43</sup>
- application of penalties in Title 18, Section 216, of the *U.S. Code*,<sup>44</sup> and
- criminal penalties of fines and jail time.<sup>45</sup>

Additionally, two proposals would require the respective ethics committees to publish the names of individuals found in violation of the proposed amendments,<sup>46</sup> one proposal would require the supervising ethics offices to publish fines on a public website,<sup>47</sup> and three proposals would specifically prohibit the use of House or Senate official funds or campaign funds to pay civil fines.<sup>48</sup>

## Covered and Excluded Assets

Each introduced bill includes a list of covered assets, and most also include a list of excluded assets. Covered assets commonly include securities,<sup>49</sup> security futures, commodities,<sup>50</sup> and “comparable economic interests acquired through synthetic means” (e.g., derivatives, options, or warrants).<sup>51</sup> Several measures would place limitations on specific types of financial activities. These include the following:

<sup>41</sup> H.R. 253; H.R. 358; H.R. 1712/S. 1620; H.R. 1756; H.R. 1908; H.R. 3182; H.R. 3635; H.R. 4036; and S. 2143.

<sup>42</sup> H.R. 3388; H.R. 5106; S. 1498; and S. 2143. S. 1498 would impose a civil penalty “equal to the greater of—(i) the monthly equivalent of the annual rate of pay payable to the covered person; and (ii) an amount equal to 10 percent of the value of each covered investment that was not divested in violation of this section during the period covered by the penalty.”

<sup>43</sup> H.R. 358; H.R. 1712/S. 1620; H.R. 3388; H.R. 5106; and S. 1668.

<sup>44</sup> H.R. 3573.

<sup>45</sup> H.R. 3849/S. 1803; S. 1668; and S. 2143.

<sup>46</sup> H.R. 3388/S. 1498.

<sup>47</sup> H.R. 5106.

<sup>48</sup> H.R. 253; H.R. 4036; and H.R. 5106.

<sup>49</sup> For more information on securities, see CRS Report R48521, *Capital Markets and Securities Regulation: Overview and Policy Issues*, by Eva Su.

<sup>50</sup> 7 U.S.C. §1a. A commodity “means wheat, cotton, rice, corn, oats, barley, rye, flaxseed, grain sorghums, mill feeds, butter, eggs, *Solanum tuberosum* (Irish potatoes), wool, wool tops, fats and oils (including lard, tallow, cottonseed oil, peanut oil, soybean oil, and all other fats and oils), cottonseed meal, cottonseed, peanuts, soybeans, soybean meal, livestock, livestock products, and frozen concentrated orange juice, and all other goods and articles, except onions (as provided by section 13–1 of this title) and motion picture box office receipts (or any index, measure, value, or data related to such receipts), and all services, rights, and interests (except motion picture box office receipts, or any index, measure, value or data related to such receipts) in which contracts for future delivery are presently or in the future dealt in.”

<sup>51</sup> For a definition of derivatives and options, see U.S. Securities and Exchange Commission, “Glossary,” *Introduction to Investing*, <https://www.investor.gov/introduction-investing/investing-basics/glossary>.

- a limitation on the ownership or purchase of assets linked to covered defense contractors;<sup>52</sup>
- a prohibition on “any covered financial transaction that benefits, directly or indirectly, a foreign adversary or an entity owned or operated by a foreign adversary”;<sup>53</sup>
- limitations on activities involving digital assets, including cryptocurrency, a meme coin, a token, or a non-fungible token, which could also be securities;<sup>54</sup>
- a prohibition on owning common stock of any individual corporation;<sup>55</sup>
- a limitation on the short sale of covered financial instruments issued by businesses listed on a public stock exchange; and<sup>56</sup>
- a prohibition on transactions involving interests acquired as part of an aggregation or compilation through a mutual fund, exchange-traded fund, or other similar means if that aggregation or compilation of such interests constitutes a significant portion of that economic interest.<sup>57</sup>

Most proposals would exempt some assets. Most commonly, exemptions would include U.S. Treasury bills, notes, or bonds and “widely held investments,” including diversified mutual funds and diversified exchanged-traded funds.<sup>58</sup> Additionally, as shown in **Figure 1**, some bills would exclude other types of assets.<sup>59</sup>

<sup>52</sup> H.R. 1756, §2(b)(1).

<sup>53</sup> H.R. 3635. The bill defines foreign adversaries as the **People’s Republic of China**, including the Hong Kong Special Administrative Regions; the Republic of Cuba; the Islamic Republic of Iran; the **Democratic People’s Republic of Korea**; the Russian Federation; and the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros.

<sup>54</sup> H.R. 1712/S. 1620, H.R. 3573; H.R. 3849/S. 1803; S. 1668; and S. 1498, as reported. For more information on digital assets, see CRS Report R46208, *Digital Assets and SEC Regulation*, by Eva Su. For more information on cryptocurrency, see CRS In Focus IF12405, *Introduction to Cryptocurrency*, by Paul Tierno. For more information on tokenized assets, see CRS In Focus IF12670, *Tokenized Assets*, by Paul Tierno.

<sup>55</sup> H.R. 2624, §5.

<sup>56</sup> H.R. 4036 and S. 2143. For more information on short sales, see CRS In Focus IF12400, *Short Selling: Background and Policy Issues*, by Eva Su.

<sup>57</sup> S. 2143.

<sup>58</sup> For more information on Exchange Traded Funds (ETFs), see CRS Report R45318, *Exchange-Traded Funds (ETFs): Issues for Congress*, by Eva Su.

<sup>59</sup> H.R. 5106 also proposes to exempt “an interest in a limited liability company created for the sole purpose of purchasing or holding real estate that serves as the personal residence of the Member of Congress.”

Figure 1. Proposed Exempted Assets in 119th Congress Legislation

Assets	Bills that propose exemption					
Alaska Native Claims Settlement Act Common Stocks <sup>a</sup>	H.R. 1756	H.R. 1908	S. 1498	H.R. 5106		
Thrift Savings Plan <sup>b</sup>	H.R. 253	H.R. 358	H.R. 3001	H.R. 3182		
State or local government bonds	H.R. 253	H.R. 1908	H.R. 3001	S. 1498	H.R. 5106	
Compensation from spouse or dependent's primary occupation	H.R. 1908	H.R. 3388	H.R. 3779	S. 1498	S. 1879	H.R. 5106
Federal, state, or local government employee retirement plan	H.R. 1756	H.R. 1908	S. 1498	S. 1879		
Interest in a diversified registered investment fund under 15 U.S.C. §80a-3	H.R. 1756	H.R. 3779				
Interest in small business concerns	S. 1498	H.R. 1908	H.R. 5106			

**Source:** CRS analysis of legislation that proposes to limit Member financial transactions from <https://www.congress.gov>.

**Notes:** S. 1498 was ordered reported (as amended) by the Senate Homeland Security and Governmental Affairs Committee on July 30, 2025.

- For more information on the Alaska Native Lands and the Alaska Native Claims Settlement Act, see CRS Report R46997, *Alaska Native Lands and the Alaska Native Claims Settlement Act (ANCSA): Overview and Selected Issues for Congress*, by Mariel J. Murray.
- For more information on the Thrift Savings Plan (TSP), see <https://www.tsp.gov>.

## Considerations for Congress

Since at least the 115<sup>th</sup> Congress, some Members of Congress have introduced legislation that seeks to limit or prohibit Representatives and Senators and other legislative branch staff from engaging in certain financial activities. As noted above, in the 119<sup>th</sup> Congress, at least 21 measures have been introduced to date. Taken together, the legislative proposals include a range of options to limit or prohibit certain financial activities. These include prohibiting the holding, purchasing, selling, and active management of covered assets; requiring the use of qualified blind trusts to remediate real or perceived financial conflicts of interest; increasing public access for financial disclosure documents; and amending penalties for noncompliance. Each of these options likely has advantages and disadvantages should Congress choose to implement a particular measure as introduced or incorporate various concepts into another measure.

Policymakers may wish to consider the scope of the proposals, the proposed benefits of a particular action, any potential administrative adjustments that might be necessary to implement a modification of ethics laws, and the potential costs to covered officials to comply with the proposed laws. Subsequently, Congress might consider several questions. These might include the following:

- Should new requirements apply only to Members of Congress, or also to their spouses and dependent children?
- Should new requirements apply to officials in the executive or judicial branches of government?
- Should congressional officers and staff be subject to the same disclosure and public access considerations as Members of Congress?

- What penalties are appropriate for violations of new or existing requirements and are proposed penalties sufficient to achieve congressional aims?
- What is the financial cost for establishing qualified blind trusts and how might covered officials pay for the establishment of such trusts?

## Appendix. 119<sup>th</sup> Congress Legislation to Limit Member of Congress Financial Activity

To date, multiple measures have been introduced in the House of Representatives and the Senate. One bill, S. 1498, has been ordered reported by a committee—the Senate Homeland Security and Governmental Affairs Committee. **Table A-1** includes the measure number, the measure title, the affected congressional parties, the proposed action, the timeline, the proposed penalty, covered assets, and exempted assets.

**Table A-1** first lists the measure (S. 1498) ordered reported by the Senate Homeland Security and Governmental Affairs Committee. The other measures are then listed by legislation type and bill number, beginning with measures introduced in the House of Representatives. In instances where House and Senate companion measure exists, they are listed together.

**Table A-1. Proposals to Limit or Prohibit Certain Financial Activities, 119<sup>th</sup> Congress**  
Through July 31, 2025

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
S. 1498 Halting Ownership and Transitions (HONEST) Act <sup>b</sup>	Members of Congress, spouses, and dependent children	Prohibit the purchase or ownership of covered investments; prohibit the use of qualified blind trusts	Covered purchases by Members must stop as of enactment	Civil penalty imposed by supervising ethics office equal to the greater of (1) the monthly equivalent of the annual rate of pay of the covered person or (2) an amount equal to 10% of the value of each covered investment that was not divested	Securities; commodities; futures; digital assets; any comparable economic interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other similar means; interests held directly or indirectly through an investment fund, holding company, trust, employee benefit plan, or deferred compensation plan	Diversified mutual funds; diversified exchange-traded funds; U.S. Treasury bills, notes, or bonds; compensation from primary occupation of a spouse or dependent child; security issued or paid as compensation from a corporate board service by spouse; trades by spouse in the course of performing the spouse's primary occupation; federal, state, or local government retirement plans; tax-free state or municipal bonds; interest in small business concerns; investment-grade corporate bonds; Alaska Native Claims Settlement Act common stocks
		Require written certification of compliance of completed divestment of covered investments held in a qualified blind trust to supervising ethics committee, which posts certification on public website	Divestiture of covered investments for current Members must occur before the date of commencement for next term of service			
			New Members must divest covered investments before being sworn into office			

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
<b>Introduced and Referred to Committee</b>						
H.Res. 491 No Option for Stock Trading and Ownership as a Check to Keep congress clean (NO STOCK) Resolution	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership of common stock	—	—	Common stock	—
H.R. 253 Bipartisan Restoring Faith in Government Act	Members of Congress, spouses, and dependents	Prohibit ownership or transactions of a covered financial instrument through required sale of covered investments or placement in qualified blind trust	Within 90 days of enactment for current Members or 90 days of taking office for new Members	Not to exceed \$50,000  Cannot use House Members' Representational Allowance (MRA), Senators' Official Personnel and Office Expense Account, or any political committee funds under the Federal Election Campaign Act of 1971 <sup>c</sup>	Securities; security futures; commodities; or any comparable economic interests acquired through synthetic means such as a derivative, including an option, warrant, or other similar means	Widely held investments; U.S. Treasury bills, notes, or bonds; state or local government bonds; investment under the Thrift Savings Plan (TSP)
H.R. 358 No Corruption in Government Act	Members of Congress and spouses	Certify compliance to supervising ethics committee, which posts certifications on public website  Prohibit ownership, purchase, or sale of covered financial instruments  Does not apply to assets in a qualified blind trust	Applies to Members who commence service after enactment, after 7 days	Civil fines under 5 U.S.C. § 13106(a) <sup>d</sup>  Disgorge profit from a transaction or holding to the general fund	Securities; security futures; commodities; or any economic interest comparable to an interest described through synthetic means, such as a derivative, including an	Diversified mutual funds; diversified exchange-traded funds; investments in the TSP; or U.S. Treasury bills, notes, or bonds

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
		Certify compliance not later than 7 days after the beginning of a new session of Congress		Cannot deduct loss from transaction of holding of covered assets on taxes	option, warrant, or other similar means	
H.R. 396 TRUST in Congress Act	Members of Congress, spouses, and dependents	Supervising ethics office publishes certification on website Require placement of covered investments in qualified blind trusts Certify placement with Clerk of House and Secretary of the Senate, who post certifications on public website	Within 180 days of enactment for current Members or within 90 days of taking office for new Members May not dissolve trust until at least 180 days after ceasing to be a Member	—	Securities, commodities, or futures, or any comparable economic interests acquired through synthetic means such as the use of derivatives	Widely held investments: U.S. Treasury bills, notes, or bonds
H.R. 1712/S. 1620 Modern Emoluments and Malfeasance Enforcement Act (MEME) Act	Members of Congress, spouses, and dependents	Prohibits issuance, sponsorship, or promotion of a covered asset for a pecuniary gain May not engage in or benefit from a prohibited financial transaction	During term of service, 180-day period prior to the date of becoming a covered official, and 180-day period after service is terminated	Civil penalty of not more than \$250,000 Disbursement of any profit from a prohibited transaction to the U.S. Treasury	Securities; security futures; commodities; digital assets which can be sold for remuneration, including cryptocurrency, meme coins, tokens, or non-fungible tokens; derivatives; options warrants; mutual funds, or exchange-traded funds of covered assets	—

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
H.R. 1756 Stop Politicians Profiting from War Act of 2025	Members of Congress, spouses, and dependents	Prohibit covered financial investments	<p>Within 120 days of enactment for current Members</p> <p>Within 120 days of being sworn in for new Members</p> <p>Extended to 180 days for complex investment vehicles</p> <p>Divest within 120 days if asset is acquired during service</p>	<p>Retroactive disgorgement requirements*</p> <p>Civil fines of not more than \$50,000 for each violation</p>	<p>Financial interests in covered defense contractors; stocks, bonds, commodities, futures, or any other securities the value of which is significantly based upon a covered defense contractor or an entity in the defense industry. Includes interests in hedge funds, derivatives, options, or other complex investment vehicles; includes defense contractors that perform, or have performed a contract for DOD in five-year period preceding enactment</p>	<p>Widely held investment funds that are not concentrated in covered defense contractors; Alaska Native Claims Settlement Act common stocks; U.S. Treasury notes, bills, or bonds; federal, state, or local government employee retirement plans; investment funds registered under 15 U.S.C. §80a-3</p>
H.R. 1908 End Congressional Stock Trading Act	Members of Congress, spouses, and dependents	Require divestment of covered financial instruments and prohibit ownership or trade of covered financial instruments	<p>Within 180 days of enactment for current Members</p> <p>Within 90 days of becoming a Member for new Members</p>	<p>Civil fines of not more than \$100,000 for each violation</p>	<p>Stocks; bonds; commodities; futures; or other forms of security, including interests in hedge funds, derivatives, options, or other complex investment vehicles</p>	<p>Widely held investment funds; Alaska Native Claims Settlement Act common stocks; U.S. Treasury bills, notes, or bonds; federal, state, or local government employee retirement plans; spouses*</p>

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
			Divest within 5 years for complex investment vehicles, and within 180 days for assets received while a Member			primary occupation compensation; interest in a small business concern, if the small business concern does not present a conflict of interest
H.R. 2624, §5 Halt, Unchecked Member Benefits with Lobbying Elimination (HUMBLE) Act	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership of common stock of individual corporations	Would take effect immediately before noon on January 3, 2027	—	Common stock of an individual corporation	—
H.R. 3001, Title V Restriction of Trading and Ownership of Certain Financial Instruments by Members of the House of Representatives	Members of the House of Representatives	Amend House Rule XXIII to prohibit the ownership or trade of covered financial instruments  Members submit pledge of compliance to House Ethics Committee	—	—	Securities; security futures; commodities; any economic interests acquired through synthetic means, such as a derivative, including an option, warrant, or other similar means	Widely held investment funds that are registered as management companies; U.S. Treasury bills, notes, or bonds; state or local government bonds; TSP
H.R. 3182 To amend title 5, U.S. Code, to prohibit Members of Congress and their spouses from trading stock, and for other purposes	Members of Congress and spouses	Prohibit ownership, purchase, or sale of covered financial instruments	—	Civil fines under 5 U.S.C. §1306(a) <sup>d</sup>	Securities; security futures; commodities; any economic interests acquired through synthetic means, such as a derivative, including an option, warrant, or other similar means	Diversified mutual funds; diversified exchange-traded funds; TSP; U.S. Treasury bills, notes, or bonds

Measure	Affected Congressional Parties <sup>a</sup>	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
H.R. 3388 Preventing Elected Leaders from Owning Securities and Investments (PELOS) Act <sup>b</sup>	Members of Congress and spouses	Prohibit the ownership, purchase, or sale of covered financial instruments  Require written certification of compliance to supervising ethics committee, which posts certification on public website	Within 180 days of enactment for current Members or within 180 days of taking office for new Members	Disposition to the Treasury of any profit from a prohibited transaction or holding  Fines equal to 10% of the value of each covered financial instrument that was not divested  Publication by supervising ethics committee on public website of fines assessed	Excludes qualified blind trusts and "covered" financial instrument(s) a Member of Congress spouse owns immediately preceding the term of the Member <sup>c</sup>  Securities; security futures; commodities; any comparable economic interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other similar means	Diversified mutual funds; diversified exchange-traded funds; U.S. Treasury bills, notes, or bonds; compensation from primary occupation of a spouse or dependent child
H.R. 3573 Stop Trading, Retention, and Unfair Market Payoffs in Crypto Act of 2025 ("Stop TRUMP in Crypto Act of 2025")	Members of Congress, spouses, children, children-in-law	Prohibit ownership of a proportion of a digital asset that would allow the holder to unilaterally make changes to the digital asset; serve as an officer, director, or owner of a digital asset issuer; and issue,	—	Applies penalties in 18 U.S.C. §216 <sup>b</sup>	Digital representation of value which is recorded on a cryptographically secured distributed ledger, including a stablecoin, a memecoin, and any financial contract or product or instrument that derives	—

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
H.R. 3635 Foreign Adversary Investment Prohibition Act	Members of Congress	sponsor, promote, or receive direct or indirect compensation from a digital asset; trade digital assets while in office, if the covered individual has material nonpublic information about digital assets; and create a prohibition on using an intermediary to take "any action prohibited by this Act;"  Prohibit covered financial transactions that benefit, directly or indirectly, a foreign adversary or entity owned or operated by a foreign adversary	—	Civil penalty of not more than \$5,000 for first violation, \$10,000 for section violation, and \$15,000 for each additional violation	its value from a digital asset, including futures, options, or swaps; any security or trust whose primary assets are digital; yield-bearing digital asset products, including staking, lending, or decentralized finance protocols; non-fungible tokens; and decentralized autonomous organization tokens	—
H.R. 3779 STOCK Act 2.0, §5	Members of Congress, officers and employees of Congress, spouses, and dependents	Prohibit the ownership, purchase, or sale of covered financial instruments	Within 120 days of enactment for current Members or within 120 days	Supervising Ethics Office assesses fine of not less than 10% of the value of the	Securities; futures; commodities; registered under Section 3 of the Investment Company Act of 1940 (15	Investment funds registered under Section 3 of the Investment Company Act of 1940 (15

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
H.R. 3849/S. 1803 Stop Trading Assets Benefiting Lawmakers' Earnings while Governing Exotic and Novel Investments in the United States (STABLE GENIUS) Act	Members of Congress	Prohibit transactions that create a net short position on any security  Prohibit service as an officer or board member of any for-profit association, corporation, or other entity  Require written certification of compliance to supervising ethics committee, which posts certification on public website  Prohibit the issuance, sponsorship, endorsement, purchase, sale, or holding of covered financial instruments  Require placement of assets in a qualified blind trust, and trust must be divested not later than 6 months after	of taking office for new Members  Within 120 days of acquiring a covered interest through inheritance  Restrictions continue for 120 days after ceasing to be a covered official	covered financial interest  Civil penalty of not more than \$250,000 paid from profit of assets; disgorgement to U.S. Treasury of any profit from unlawful activity subject to civil action  Criminal penalties of fines under Title 18, U.S. Code, imprisonment for not	economic interests acquired through synthetic means such as the use of derivatives; including any of the above held in qualified blind trust  Digital assets, including the issuance, sponsorship, or endorsement; purchase, sale, holding, or other contract that causes a covered investment to be obtained; comparable financial interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other	U.S.C. §80a-3) that are diversified as defined by 5 C.F.R. §2640.102;  spouse's primary occupation, including securities issued by primary employer; U.S. Treasury bills, notes, and bonds

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
H.R. 4036 No Shorting America Act	Members of Congress, spouses, and dependents	Prohibit the short sale of any covered financial instrument issued by any business entity that is listed on a national stock exchange	Qualified blind trust must be divested not later than 6 months after establishment	more than 18 years, or both	similar means; and comparable financial interests acquired as part of an aggregation or compilation of interests through a mutual fund, exchange-traded fund, or other similar means	—
H.R. 5106 Restore Trust in Congress Act	Members of Congress, spouses, and dependents	Prohibit covered individuals from directly, or indirectly, owning or trading a covered investment	Within 180 days of enactment for current Members or within 90 days of taking office for new Members	Civil penalties not to exceed \$50,000	Securities; security futures; commodities; any comparable economic interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other similar means	—
		Submit pledge of compliance to supervising ethics committee, which posts on publicly accessible website		Cannot use House Members' Representational Allowance (MRA), Senators' Official Personnel and Office Expense Account, or political committee funds under the Federal Election Campaign Act of 1971 <sup>c</sup>		
				Fee equal to 10% of the value of the covered investment; disgorge profits of any transaction to the U.S. Treasury	Securities; security futures; commodities; any comparable economic interests acquired through the use of a derivative, including an option, warrant, or other similar means	Widely held, diversified, and publicly traded investment funds; U.S. Treasury bills, notes, and bonds; state or municipal government bills, notes, or bonds; compensation received by spouse
			Assets in a qualified blind trust shall be divested	Fines published by supervising ethics		

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
S. 1668 End Crypto Corruption Act of 2025	Members of Congress, spouses, and dependents	Prohibit direct or indirect engagement in a prohibited financial transaction	with 180 days of enactment for current Members or 90 days of taking office for new Members  Divest assets acquired other than by purchase within 90 days from acquisition	office on public website  Cannot use House Members' Representational Allowance (MRA), or political committee funds under the Federal Election Campaign Act of 1971 <sup>c</sup>  Civil penalties equal to not more than 10% of the value of the financial interest that is subject to prohibited conduct or the amount of financial gain, whichever is greater  Disgorgement of any profit from prohibited transaction to the U.S. Treasury  Criminal penalties of monetary fines and imprisonment; or	Issuance, sponsorship, or endorsement of cryptocurrency, memecoins, tokens, non-fungible tokens, stablecoins, or other digital assets sold for renumeration; comparable financial interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other similar means; and comparable financial interests acquired as part of an aggregation or compilation of interests through a	or dependent child from their employer; interest in a small business concern; liability company created for the sole purpose of purchasing or holding real estate that serves as Member's primary residence; Alaska Native Claims Settlement Act common stocks  —

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
S. 1879 Ban Congressional Stock Trading Act	Members of Congress, spouses, and dependents	Amend EIGA to require divestiture or placement of assets in a blind trust	Certification required within 30 days of enactment for current Members of Congress, or within 30 days of becoming a Member of Congress	disqualification from holding office)  Civil penalties equal to the monthly equivalent of the annual rate of pay for Members of Congress	mutual fund, exchange-traded fund, or other similar means  Commodities, securities, futures, and any comparable economic interests acquired through synthetic means such as the use of derivatives, options, and warrants, including investment funds, trusts, employee benefit plans, or deferred compensation plans	Diversified mutual funds; diversified exchange-traded funds; U.S. Treasury bills, notes, or bonds; compensation from primary occupation of Member's spouse or dependent child; investments in federal, state, or local government employee retirement plans
S. 2143 Curbing Officials' Income and Nondisclosure (COIN) Act	Members of Congress, spouses, parents, siblings and children	Amend EIGA to prohibit certain financial transactions	During term of service, during 180-day period ending on the date on which the service of the covered individual commences, or during the 2-year period beginning	Civil penalties of not more than \$25,000 per violation; 10% of the value of the prohibited financial interest; or the amount of financial gain, whichever is greater; disgorgement of profit	Securities that are digital assets; security futures that are digital assets; commodities that are digital assets; cryptocurrencies; meme coins, tokens, non-fungible tokens, or other digital assets that are sold for	—

Measure	Affected Congressional Parties*	Proposed Action	Timeline	Proposed Penalty	Covered Assets	Exempted Assets
			on the date on which service is terminated	Various potential criminal fines or imprisonment	remuneration; payment stablecoins; any comparable economic interests acquired through synthetic means such as the use of a derivative, including an option, warrant, or other similar means; any comparable interest acquired as part of an aggregation or compilation of such interests through a mutual fund, exchange-traded fund, or other similar means if that aggregation or compilation of such interests constitutes a significant portion of that economic interest	

**Source:** CRS summary and analysis of proposed legislation.

**Notes:** Not included in **Table A-1** is H.Res. 200, which would express support for a comprehensive political reform plan that, among other items, would ban “Members of Congress from holding and trading individual stocks during the Member’s tenure and requires Members of Congress, as well as any spouse or dependent child of a Member, to place specified investments into a qualified blind trust until 180 days after the end of their tenure.”

- a. In some cases, legislation would also apply to the President, Vice President, or other executive branch officials.
- b. As introduced, S. 1498 was identical to H.R. 3388. On July 30, 2025, the Senate Homeland Security and Governmental Affairs Committee ordered reported S. 1498 as the “Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act,” after adopting an amendment in the nature of a substitute. For a summary of S. 1498, as introduced, see H.R. 3388.
- c. For more information on Members’ Representational Allowance (MRA) in the House or the Senators’ Official Personnel and Office Expense Account, see CRS Report R40962, *Members’ Representational Allowance: History and Usage*, by Ida A. Brudnick; and CRS Report R44399, *Senators’ Official Personnel and Office Expense Account (SOPEA): History and Usage*, by Ida A. Brudnick. For more information about campaign funds and the Federal Election Campaign Act of 1971, see CRS Report R41542, *The State of Campaign Finance Policy: Recent Developments and Issues for Congress*, by R. Sam Garrett.

- d. The Ethics in Government Act (5 U.S.C. § 13106) provides penalties for failure to file or filing false financial disclosure reports. Section 13106(a) provides for civil penalties “in any amount, not to exceed \$50,000,” and prison time “for not more than 1 year, or both.”
- e. H.R. 1712/S. 1620 would also include a private right to action in its EIGA amendments. The provision states that “Notwithstanding any contrary provision in any contract relating to the asset, any investor, competitor, or other private party suffering harm may bring an action in an appropriate district court of the United States for any appropriate equitable or declaratory relief, including monetary damages, with respect to a violation of section 13152.”
- f. H.Res. 665, as introduced, proposes to create a special rule for the consideration of H.R. 1908. Included in the resolution (§2) is an amendment in the nature of a substitute that would replace the current text of H.R. 1908 with alternative language. The proposed amendment would make alterations to the bill’s timeline (shortening divestment of complex assets from 5 years to 2 years; extending the timeline for new Members of Congress to sell covered financial instruments from 90 to 180 days); confirm that Members of Congress, spouses, and dependent children may hold covered investments in qualified blind trusts; add a civil fine of 10% of the “most recent combined value of each stock, bond, commodity, future, or other form of security involved (whichever is greater)”; and specify that Members cannot use House Members’ Representational Allowance (MRA), Senators’ Official Personnel and Office Expense Account, or any political committee funds under the Federal Election Campaign Act of 1971.
- g. H.R. 3573, Section 3(a) would create a prohibition on indirect participation through intermediaries and beneficial ownership by a covered official. The provision provides that “A covered individual may not take any action prohibited by this Act through any trust, corporation, partnership, limited liability company, unincorporated association, political committee, nonprofit organization, or other entity or person, including any digital wallet or protocol, if such covered individual—(1) directly or indirectly exercises control over such entity; (2) acts through such entity as a beneficial owner; or (3) has received or expects to receive compensation, financial benefit, or influence as a result of the entity’s engagement in digital asset activities described in this Act.”
- h. 18 U.S.C. §2116 provides for penalties including jail time and “a civil penalty of not more than \$50,000 for each violation or the amount of compensation which the person received or offered for the prohibited conduct, whichever amount is greater.”
- i. H.R. 3635, §(c)(2), would define a foreign adversary as “(A) the People’s Republic of China, including the Hong Kong Special Administrative Regions; (B) the Republic of Cuba; (C) the Islamic Republic of Iran; (D) the Democratic People’s Republic of Korea; (E) the Russian Federation; and (F) the Bolivarian Republic of Venezuela under the regime of Nicolás Maduro Moros.”
- j. S. 1668 includes potential criminal penalties for benefiting from prohibited financial transactions of fines under 18 U.S.C. §227A, imprisonment for not more than five years, or both. S. 1668 would also subject a covered individual to fines, “or imprisonment for not more than 5 years, or both, and [the covered official] may be disqualified from holding any office of honor, trust, or profit under the United States.”

## **Author Information**

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Specialist on the Congress

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# Trump Invests in Media Merger His Administration Controls

[Donald Shaw](#)



President Donald Trump talks to reporters during a meeting in the Oval Office at the White House on April 24, 2025 (Photo by Chip Somodevilla/Getty Images)



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President Donald Trump's administration is reviewing a blockbuster media merger that would deliver CNN, HBO, and a large slice of cable television to a group of his political allies. A financial disclosure filed late Friday shows

that Trump himself bought between \$500,001 and \$1 million in Warner Bros. Discovery bonds on September 19, 2025, giving him a personal financial interest in the company whose future depends on decisions made by his own administration.

The bonds are 3.625% senior unsecured notes issued by Discovery Communications LLC, a wholly owned subsidiary of Warner Bros. Discovery. Issued in May 2020 with a maturity date of May 15, 2030, the bonds are fully guaranteed by the parent company and are senior debt—meaning bondholders get paid ahead of shareholders in any restructuring—but are unsecured, with no specific assets pledged as collateral.

The [purchase](#) came eight days after the [first reports](#) that David Ellison's Paramount Skydance, backed by his father (Oracle billionaire and Trump ally Larry Ellison), was preparing a bid for all of Warner Bros. Discovery. Six days later, on September 25, Trump signed an executive order that made Oracle the official security provider of TikTok's user data, a move that bolstered the Ellison family's position in the media talks.

People familiar with the matter have told the [New York Post](#) and other outlets that Trump has privately signaled strong support for a Paramount Skydance takeover of Warner Bros. Discovery and that competitors would face stiff resistance from his administration's regulators. According to [CNN](#), Ellison's allies are "privately arguing that he is the only buyer who would pass muster with Trump administration regulators."

While David Ellison has been a major Democratic donor, his father has spent millions backing Republicans and has grown increasingly close with the president. Larry Ellison held a [fundraiser](#) for Trump in 2020, and this year he's held multiple [private meetings](#) with Trump in the Oval Office.

The 2030 bonds Trump now owns are part of Warner Bros. Discovery's

roughly \$35 billion debt load. If the Trump administration approves the Paramount Skydance merger, the company would look safer to investors, likely driving up the price of its bonds. That price increase could pad Trump's profit on top of the regular 3.625% interest already offered by the bond. Presidents and vice presidents are exempted from the federal ethics laws that require other government officials to divest or recuse themselves from matters affecting their own financial interests.

The latest batch of financial disclosures also shows Trump investing in corporate bonds of other large companies. On Sept. 19, Trump purchased a bond from cloud computing company CoreWeave worth between \$1 million and \$5 million. The president bought the same amount in bonds from semiconductor makers Broadcom and Qualcomm, and the same amount in bonds from Wall Street firms Goldman Sachs and JPMorgan Chase.

The president purchased two Boeing bonds— up to [\\$1 million](#) in one and up to [\\$5 million](#) in the other—at the end of August and mid-September, according to the disclosures. In March, the Pentagon [awarded](#) the defense contractor a \$20 billion contract for a next-generation F-47 fighter jet, marking a comeback for the troubled aerospace company. Trump picked up \$5 million worth of bonds from Meta, which had investigations [dropped](#) when the Consumer Financial Protection Bureau halted activities earlier this year. The president also picked up bonds worth up to \$5 million in UnitedHealth Group, Home Depot, T-Mobile, and others.

In August, he acquired up to \$5 million in bonds from CVS Health. In October, the retailer announced that its CVS Specialty Pharmacy will be a "core partner" in a program called TrumpRx Fertility, aiming to reduce the price of in-vitro fertilization (IVF) treatment.

**Congress of the United States**  
Washington, DC 20515

November 19, 2025

Chair Bryan Steil	Ranking Member Joe Morelle
Committee on House Administration	Committee on House Administration
1309 Longworth House Office Building	1216 Longworth House Office Building
Washington D.C. 20515	Washington, D.C. 20515

Dear Chair Steil and Ranking Member Morelle:

We are encouraged by the House Committee on Administration convening a hearing on the practice of stock trading by Members of Congress. We are hopeful that this hearing will illustrate why the practice of stock trading by Members of Congress must end once and for all.

Members of Congress have access to inside information that the average member of the public does not, and should not be permitted to trade off of that information. This information can include knowledge about language that might be included in legislation and could have a market moving impact on an industry, classified information about national security threats impacting individual companies, and more. The opportunity for Members to trade stocks with knowledge that other market participants do not have is inappropriate.

Furthermore, when Members of Congress decide how to vote on a bill or whether to advocate for a policy, they should not be conflicted by the knowledge that their official actions may impact the performance of their investment portfolios.

While the STOCK Act enhanced public transparency of lawmakers' financial activities, more must be done. We must completely remove the opportunity for corruption that exists when Members of Congress are allowed to trade stocks. We urge you to expeditiously advance our legislation to ban Members of Congress and their families from trading stocks to the floor.

Momentum is on our side to get this needed reform done. Earlier this year, leaders of our respective parties including President Donald Trump, Speaker Mike Johnson, and House Minority Leader Hakeem Jeffries, made clear that they support ending Congressional stock trading. Most importantly, the American people are demanding it.

We believe H.R.5106 - Restore Trust in Congress Act is a comprehensive starting point. H.R.5106 is the product of months of bipartisan negotiations that consolidated leading bills to ban Congressional stock trading into one single bill that is both strong and workable. This legislation imposes strict guardrails that remove conflicts of interest while allowing Members to invest in widely held investment funds that do not pose such conflicts. It applies to spouses and dependents, requires a full divestment of covered assets, and has strong, enforceable penalties. Anything less or watered down would be a disservice to ourselves and to the American people.

The House Administration Committee has the opportunity to eliminate this opportunity for corruption and give Americans greater confidence that their elected officials are working on behalf of the public good.

Sincerely,



Seth Magaziner  
Member of Congress



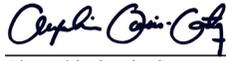
Chip Roy  
Member of Congress



Pramila Jayapal  
Member of Congress



Tim Burchett  
Member of Congress



Alexandria Ocasio-Cortez  
Member of Congress



Brian K. Fitzpatrick  
Member of Congress



Raja Krishnamoorthi  
Member of Congress



Anna Paulina Luna  
Member of Congress



Josh Riley  
Member of Congress



Zach Nunn  
Member of Congress



Michael Cloud  
Member of Congress

**Testimony Submitted for the Record  
Committee on House Administration  
Hearing on Taking Stock of the STOCK Act  
By Jason Powell, Policy Director  
Citizens for Responsibility and Ethics in Washington  
November 19, 2025**

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

<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-benefit-from-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

<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/bills/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/>.



**Statement Submitted for the Record  
Committee on House Administration  
Hearing on “Taking Stock of the STOCK Act”  
Wednesday, November 19, 2025  
Democracy Defenders Action**

Chair Steil, Ranking Member Morelle, and Members of the Committee, thank you for the opportunity to submit a statement in support of legislation banning Members of Congress, their spouses, and dependent children from owning or trading stocks. Democracy Defenders Action, is a 501(c)(4) nonpartisan nonprofit organization committed to building a responsible and accountable government and ensuring that government officials act on behalf of the people they serve.

Congress is mired in an increasingly perilous crisis of institutional legitimacy. This crisis is being driven by routine reports of Members of Congress appearing to profit off their positions of public trust—including by purchasing or selling stocks following confidential briefings, or owning stocks in companies they regulate or oversee.

The scandals of early 2020 brought the problem of stock trading into the public spotlight: as Congress received confidential briefings about the emerging COVID-19 pandemic, several senators sold millions of dollars in stock holdings before markets crashed, while others purchased shares in companies positioned to benefit from the crisis.<sup>1</sup> These transactions—regardless of their legality—conveyed to the American people that their representatives were profiting from their positions of trust. They diminished public confidence in government at the worst possible moment.

And the problem has not subsided. While some representatives, including some Members of this Committee, have admirably built up public trust by selling off their individual stock holdings,

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<sup>1</sup> For instance, then-Sen. Kelly Loeffler (R-GA) and her spouse sold up to \$3.1 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. And 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. See Christina Wilkie, *Two GOP senators face questions over stock sales ahead of the market’s coronavirus slide*, CNBC (Mar. 20, 2020), <https://www.cnbc.com/2020/03/20/senators-face-questions-over-stock-sales-before-the-coronavirus-slide.html>; Lachlan Markay, et al., *Sen. Kelly Loeffler Dumped Millions in Stock After Coronavirus Briefing*, The Daily Beast (Mar. 20, 2020), <https://www.thedailybeast.com/sen-kelly-loeffler-dumped-millions-in-stock-after-coronavirus-briefing>; and Stephanie Saul et al., *2,596 Trades in One Term: Inside Senator Perdue’s Stock Portfolio*, New York Times (Dec. 2, 2020), <https://www.nytimes.com/2020/12/02/us/politics/david-perdue-stock-trades.html>.

recent investigations reveal that Members of both parties continue to trade stocks in companies directly affected by their committee work and legislative decisions.<sup>2</sup> These conflicts of interest persist because Congress has failed to address the root cause: the ownership and trading of individual stocks. This practice creates unavoidable questions about whether legislators serve their constituents or their portfolios.

The result of this erosion is stunning. Trust in Congress has once again hit nearly historic lows, with only 5% of Democrats, 8% of Independents, and 19% of Republicans expressing support for the institution.<sup>3</sup> In fact, according to Pew Research Center, the share of Americans giving Congress an unfavorable rating “is now among the highest in nearly four decades of polling.”<sup>4</sup> This crisis has also driven Americans’ satisfaction with the current state of our democracy to a record low of 28%—the lowest percent Gallup has recorded in 40 years of polling.<sup>5</sup>

These abuses must stop. Congress must act now. Moving to ban public servants from trading individual stocks is good public policy that enjoys bipartisan support in Congress.<sup>6</sup> In 2024, the Ending Trading and Holdings In Congressional Stocks (“ETHICS”) Act, which banned stock trading and ownership by public officials and their families, passed the Senate Homeland Security and Governmental Affairs Committee (“HSGAC”) on a bipartisan basis.<sup>7</sup> Earlier this year, a bipartisan group of Senators advanced a similar bill out of HSGAC once again.<sup>8</sup> This Committee should follow suit and hold a markup of the Restore Trust in Congress Act (“RTICA”) as expeditiously as possible.

<sup>2</sup> See, e.g., Amie Karni, *Congressman's Stock Trades Draw More Scrutiny After Key Vote*, New York Times (Aug. 16, 2025), <https://www.nytimes.com/2025/08/16/us/politics/bresnahan-congress-stock-trading.html>; David Moore, *Lawmakers Hold Stocks in Defense, Energy, and Tech Companies They Oversee*, Sludge (Aug. 22, 2025), <https://readsludge.com/2025/08/22/lawmakers-hold-stocks-in-defense-energy-and-tech-companies-they-oversee/>.

<sup>3</sup> Megan Brennan, *Democrats' Confidence in US Institutions Sinks to New Low*, Gallup (Jul. 17, 2025), <https://news.gallup.com/poll/692633/democrats-confidence-institutions-sinks-new-low.aspx>.

<sup>4</sup> *How Americans view Congress, the President, state and local leaders*, Pew (Sep. 19, 2023), <https://www.pewresearch.org/politics/2023/09/19/how-americans-view-congress-the-president-state-and-local-political-leaders/>.

<sup>5</sup> Jeffrey M. Jones, *Record Low in U.S. Satisfied With Way Democracy is Working*, Gallup (Jan. 5, 2024), <https://news.gallup.com/poll/548120/record-low-satisfied-democracy-working.aspx>.

<sup>6</sup> Currently, the Restore Trust in Congress Act is sponsored by 94 members of Congress, including 21 Republicans. See <https://www.congress.gov/bills/119th-congress/house-bill/5106/cosponsors>. In addition to the HONEST Act, which advanced out of Senate HSGAC with bipartisan support, Senate bills with similar policies have drawn bipartisan support, including, for instance, the Bipartisan Ban on Congressional Stock Ownership (sponsored by Sens. Warren (D-MA) Daines (R-MT), Stabenow (D-MI), Graham (R-SC), and Warnock (D-GA)), <https://www.congress.gov/bills/117th-congress/senate-bill/3631/cosponsors>.

<sup>7</sup> Press Release: *Sen. Ossoff's Bipartisan Bill to Ban Congressional Stock Trading Passes Key Senate Committee*, Sen. Jon Ossoff (Jul. 24, 2024), <https://www.ossoff.senate.gov/press-releases/news-sen-ossoffs-bipartisan-bill-to-ban-congressional-stock-trading-passes-key-senate-committee/>.

<sup>8</sup> Alan He and Kathryn Watson, *GOP Sen. Josh Hawley and Democrats vote to advance congressional stock trading ban*, CBS News (Jul. 31, 2025), <https://www.cbsnews.com/news/hawley-democrats-vote-stock-trading-ban-committee/>.

### Pass the Restore Trust in Congress Act

The path forward is clear: [pass the Restore Trust in Congress Act](#).

The RTICA, championed by Representatives Roy (R-TX), Magaziner (D-RI), Burchett (R-TN), Fitzpatrick (R-PA), Jayapal (D-WA), Krishnamoorthi (D-IL), Luna (R-FL), Ocasio-Cortez (D-NY), and others, is the result of years of bipartisan cooperation and negotiation. Its key policies are the result of discussions led by dozens of senators and representatives, across numerous congressional committees, in dialogue with more than twenty civil society groups and experts.<sup>9</sup> The RTICA reflects the agreement we have reached through this process about the basic policies that must be included in any bill:

**First**, the RTICA prohibits Members of Congress from owning or trading any individual stocks or other similar financial assets, with very limited exceptions for non-conflicting assets such as registered diversified mutual funds.

**Second**, the prohibition applies to Members' spouses and dependent children, closing a loophole that could allow conflicts of interest to persist through family trading.

**Third**, the bill includes a clear enforcement mechanism with meaningful penalties that will serve as a functional deterrent.

This bill contains strong legislative text, has overwhelming bipartisan support, and the backing of the American people,<sup>10</sup> along with the endorsement of civil society organizations across the political spectrum.<sup>11</sup>

What remains is the political will to act.

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<sup>9</sup> See, e.g., Stock Trading Coalition Letter of June 5, 2025, <https://www.citizensforethics.org/wp-content/uploads/2025/06/Cong.-stock-ban-letter-june-2025.pdf>; and Stock Trading Coalition Letter of July 22, 2024, [https://www.citizensforethics.org/wp-content/uploads/2024/07/Coalition-Letter\\_-\\_Support-the-ETHICS-Act-Compro-mise-2.pdf](https://www.citizensforethics.org/wp-content/uploads/2024/07/Coalition-Letter_-_Support-the-ETHICS-Act-Compro-mise-2.pdf).

<sup>10</sup> University of Maryland School of Public Policy Poll, *Ban on Stock Trading for Members of Congress Favored by Overwhelming Majority*, (Jul. 19, 2023), <https://publicconsultation.org/united-states/stock-trading-by-members-of-congress/>.

<sup>11</sup> This includes business-focused organizations like Business for America, “The business community supports a ban on congressional stock trading,” Business for America, <https://www.bfa.us/policy/stock-trading-in-congress>, and conservative organizations including Americans for Prosperity and the Taxpayers Protection Alliance, which endorsed similar legislation, see Press Release: *Rep. Roy reintroduces bill to prevent Members of Congress from trading stocks*, (Jan 14, 2025), <https://roy.house.gov/media/press-releases/rep-roy-reintroduces-bill-prevent-members-congress-trading-stocks>; and progressive organizations like P Street, see Stock Trading Coalition Letter of July 22, 2024, [https://www.citizensforethics.org/wp-content/uploads/2024/07/Coalition-Letter\\_-\\_Support-the-ETHICS-Act-Compro-mise-2.pdf](https://www.citizensforethics.org/wp-content/uploads/2024/07/Coalition-Letter_-_Support-the-ETHICS-Act-Compro-mise-2.pdf).

In a recent Senate hearing on a related bill, the Halting Ownership of Non-Ethical Securities and Trusts (HONEST) Act,<sup>12</sup> a member of HSGAC asked whether Members can retain family-owned small businesses. To be clear: the RTICA would allow Members to continue to retain ownership of a small business—such as farms, car dealerships, local convenience stores, or family-run pharmacies—as long as they are considered a small business under the Small Business Act (“SBA”).<sup>13</sup>

Although its thresholds are tied to annual receipts and the number of employees, the SBA small business definition is generally quite broad.<sup>14</sup> For instance, a member could retain their interest in a passenger car rental company as long as the company’s annual receipts are below \$47 million; or a construction company making single family homes with total annual revenue under \$45 million; and a local convenience store with annual revenues below \$36.5 million.<sup>15</sup> Other industries are based on the total number of employees. Members could retain their interest in, say, a local brewery, as long as it has fewer than 1250 employees; or a local bakery as long as it employs fewer than 500 people.<sup>16</sup> We appreciate that many Americans may not view a company with 1200 employees or annual revenues of \$40 million as a small business. However, the SBA definition provides a pre-existing measurable basis for determining whether a business should be excepted from coverage under the RTICA.

### Conclusion

The perception that government officials are prioritizing their financial interests over the public good is one of the reasons why many Americans feel disconnected, unrepresented, and unheard by their government. Congressional stock trading is fueling this crisis of confidence—and deepening the chasm between the people and their representatives. You have the power to change that. The policies in the RTICA are overwhelmingly popular. More than 86% of Americans across every political party—including 87% of Republicans, 88% of Democrats, and 81% of independents—support them.<sup>17</sup> As do Speaker Johnson and Minority Leader Jeffries, both of whom have stated that they support a congressional stock trading ban.<sup>18</sup> Passing this legislation would help restore public trust in our elected officials – that Members of Congress are truly acting on behalf of the people they serve, rather than their own financial interests. This is a message Americans desperately need to hear.

<sup>12</sup> See <https://www.hsgac.senate.gov/hearings/business-meeting-34/>. See also comments by Sen. Ron Johnson (R-WI), <https://youtu.be/6WNrvMlmic?si=7uBwvEaVCcflTtOP&t=61>.

<sup>13</sup> 15 U.S.C. 14A *et seq.*

<sup>14</sup> 13 CFR 121.102, available at <https://www.ecfr.gov/current/title-13/chapter-I/part-121>.

<sup>15</sup> 13 CFR 121.201, Subsector 532 “Rental and Leasing Services”; Subsector 236 “Construction of Buildings”; Subsector 445 “Food and Beverage Stores”.

<sup>16</sup> *Id.*, at Subsector 312 “Beverage and Tobacco Product Manufacturing”; Subsector 311, “Food Manufacturing”.

<sup>17</sup> See University of Maryland Poll,

<https://publicconsultation.org/united-states/stock-trading-by-members-of-congress/>.

<sup>18</sup> Nicholas Wu, *Mike Johnson declares support for congressional stock trading ban*, Politico, (May 14, 2025), <https://www.politico.com/live-updates/2025/05/14/congress/mike-johnson-backs-stock-trade-ban-00348196>.

We urge this Committee, as well as leadership in both parties, to seize this opportunity to rebuild confidence in our government—and show that democracy delivers for the people. Pass the Restore Trust in Congress Act without delay.

Mr. MORELLE. Thank you, Mr. Chair. Thank you again for this opportunity to be here and to call this into question and have this dialog.

With that, I yield back.

Chairman STEIL. The gentleman yields back.

The gentlewoman from Florida, Ms. Lee, is recognized for 5 minutes.

Ms. LEE. Thank you, Mr. Chairman.

Welcome, to our witnesses.

As elected representatives, we have a duty to serve our constituents, and doing so effectively requires strong public trust and confidence that Members of Congress are working to serve the American people, not our individual personal gains.

As you all have described here this morning, over the years there has been an increased and warranted scrutiny over the stock-trading practices of Members, which has raised questions on whether our existing regulatory structure is adequate.

Mr. Copland, I would like to focus on a couple of the areas that you mentioned in your testimony.

I think there is broad consensus that we need to seriously consider outright prohibition on Members of Congress owning, trading individual securities. One of the things that you mention is that, if we are to adopt new conflict-of-interest prohibitions that require Members to divest individual securities, that we ought to consider the tax treatment of that required divestment.

Would you elaborate for us on what you are describing there and why it is important?

Mr. COPLAND. Yes. There are already provisions, conflict-of-interest-type divestment provisions, that exist in law and other situations, so it would not be reinventing the wheel.

You know, anyone who has invested in markets, including mutual funds or anything else, you get an accrued capital gain. If you have held an asset for decades, you are going to have a large capital gain. If you had a rule that forced divestment of your securities and rolling an individual stock into a diversified mutual fund or what have you, you would have a large tax consequence, which in many cases could dwarf your congressional salary or other things depending on what sort of individual you are.

I do not think it is reasonable to require divestment without not requiring that massive tax hit to serve in the Congress.

What this would do is it would roll that gain over—it would not be like a capital gains step-up like in an estate. You would roll that over into the new security that you purchased, and assuming you purchased equal for equal, that would reduce the basis in the new security you purchase so that, whenever that was disposed of, the gain would accrue.

Is it a perfect solution? No. It is a reasonable one.

Ms. LEE. In particular, one of the reasons—of course, you know, Members are very differently situated, but in the instance where somebody perhaps owned individual securities prior to becoming a

candidate or being elected, that would provide a divestment opportunity for that person who owned securities independent of any experience or knowledge they might have in Congress.

You touched on something else that is important that is really the distinction between different types of assets. If you would, would you describe for us the differences you see in, for example, a Member of Congress owning individual securities as opposed to being invested in a mutual fund and why that is something that is substantially different in terms of insider knowledge?

Mr. COPLAND. Yes. Well, if you are investing in a diversified mutual fund, there is essentially no risk, depending on what the fund is or how it is structured. If you are, for instance, in an S&P 500 passive index fund tracking the stock market, then, you know, the only risk there is, well, you know, whatever decision you make might make the stock market go up.

That is generally not the sort of risk people are worried about, any more than when people were worried about, you know, Ross Perot running for President. He had a lot of Federal Government bonds. Well, if he actually got rid of the deficit, the value of those bonds would go up. You know, people are not worried about that sort of thing, right?

That is very different than you own stock in a particular company, and so there is going to be—and you could have mutual funds that are very targeted or industry-specific, and if you are on a Committee that oversees an area where that would have an impact, you know, that also could be something you would have to worry about a little bit.

You know, the broader the index, the more diversified it is, the less you would have to worry about any sort of appearance of impropriety at all.

Ms. LEE. You also noted a distinction between individual securities and assets that are placed in things like venture capital and private equity.

Would you elaborate on why it is that those categories of assets and investments might need to be treated differently?

Mr. COPLAND. Yes. The reason is, it is hard to divest from very illiquid assets in many cases.

If you had an investment in a startup business, a venture capital, a private equity, where you have an illiquid security, and you had a divestment rule or a conflict-of-interest rule that required divestment within 90 days or 180 days, like many these targets, it could be very difficult to unwind that. They are not going to be liquid assets. It is not clear who the purchaser is. It is very different than a publicly traded security, if you owned Walmart or Exxon stock. Easy to unload that; not going to move the market; and then you are mainly worried about the tax treatment.

If you guys want to [inaudible], it is a little trickier. You know, that is why you have ethics offices and things here. It is not that there is no potential conflict with those sorts of holdings, but a prophylactic divestment rule might be problematic.

Ms. LEE. Thank you.

Mr. Chairman, I yield back.

Chairman STEIL. The gentlewoman yields back.

Ms. Sewell is recognized for 5 minutes.

Ms. SEWELL. Thank you, Mr. Chairman.

I want to thank our witnesses today.

Every elected official makes decisions that impact the quality of life of our constituents and Americans broadly. Far too often, bad actors take advantage of sensitive information that is shared in the policymaking process to line their own pockets. Time and time again, elected officials have broken the trust of the American people by exploiting their position for personal gain.

This was on full display, as the Chairman said, shortly after the COVID-19 pandemic, where Senators and Representatives on both sides of the aisle used privileged information from briefings about the pandemic to trade securities. According to a review of the financial disclosure by the Campaign Legal Center, 12 Senators made at least 227 purchases or sales that resulted in \$98.3 million in stock profits. On the House side, there were as many as 1,358 transactions by 37 Representatives that resulted in \$60.5 million in stock benefits.

Now, I believe that all of us in this room can agree that we are long overdue for reform. In fact, when I came to Congress—I was elected in 2010—I came after spending almost a decade in New York City working in securities law for Davis Polk & Wardwell. I was shocked that we did not have any insider-trading laws on the books. I was very happy to support the STOCK Act when it came up for a vote in 2012. I do believe that it is long overdue for reform of that.

I want to press you, Mr. Copland, along the lines of my colleague, Ms. Lee. Can you talk about what security—what individuals should be in this prohibition? If we prohibit all stocks from being traded, is it only Members of Congress? Or how do we talk about executive—members of executive—the President and others?

Then, also, tell me why it is so important that family members also should be covered.

Mr. COPLAND. Yes. I mean, it is a complicated question.

Obviously—well, we will take the family members first. I mean, obviously, dependent children probably should be included in any of these sorts of situations. I mean, if you have your kid and you can trade on your kid's stock account and not yours, I mean, that obviously is something that, if you had a rule on the Member, you would have a rule on the dependent children.

The spouse can be a little bit more complicated, because people have professional spouses, they have spouses with means. You know, we have had people in both parties, for instance, running for President with very well-heeled spouses with major investments—you know, the late—

Ms. SEWELL. I agree with that.

Mr. COPLAND [continuing]. Senator McCain, Senator Kerry—so it is a little—

Ms. SEWELL. I know my time is limited. Talk to me about the executive. I mean, we saw Donald Trump—

Mr. COPLAND. Yes. I think—

Ms. SEWELL [continuing]. and his family really benefit a lot from the tariffs. You know, the on-again-off-again nature of the tariffs really yield a lot of profit for people in the executive.

Talk to me about the executive being covered—and the judiciary, for that matter.

Mr. COPLAND. Yes. I think the easier one is staff members, senior staff members, which are included in some of these bills.

When you talk about the other co-equal branches of Government, you know, there are matters of comity there that come into play. I do think this body has some authority there.

I think the higher up you go, the more you get to the President or the Supreme Court, when you get to the actual constitutional officers, it becomes a trickier question. For certain other officials, it is an easier question and, you know, ought to be explored. I think there is nothing wrong with exploring that.

Ms. SEWELL. Yes.

Well, Mr. Straus, I would love to know your thoughts about, if we could only do one reform, what reform would that be to the STOCK Act, and why?

Mr. STRAUS. Thank you, Congresswoman. As you know, CRS does not take a position on any particular piece of legislation. I would be happy to discuss any of them with you and your staff at any point as you are—

Ms. SEWELL. Well, since I only have 56 seconds, I am going to ask Mr. Copland or Mr. Savickas, what reform would you do if you had just an opportunity to open up the STOCK Act and actually make one reform?

Mr. COPLAND. I think something along the lines of predisclosure that the Chairman was talking about would make sense, with some caveats.

I think creating easier safe harbors for divestment. Even if you did not mandate divestment across the board, safe harbors, including with tax treatment that would make it easier for Members to do that coming into office, I think, would obviate a lot of the problem. I do not think most Members come here to try to trade stocks, right?

Ms. SEWELL. Got you.

What do you think, sir?

Mr. SAVICKAS. I think forced divestment into diversified mutual funds and ETFs do tie Members of Congress's financial success to the overall success of the American economy rather than—

Ms. SEWELL. Would you change the tax treatment in order—I mean, because people will be coming into—people who are currently here would have to divest, and, as we talked about, they may have long-term gains, capital gains.

Mr. SAVICKAS. Yes, but along the lines of what Mr. Copland was discussing earlier—certificates of divestiture to defer the capital gains tax, as long as it is reinvested legally.

Ms. SEWELL. Thank you.

I yield back.

Chairman STEIL. The gentlewoman yields back.

The gentleman from Virginia, Mr. Griffith, is recognized for 5 minutes.

Mr. GRIFFITH. All right.

Mr. Savickas, help me out. We have all these people who buy and sell stocks; we have a securities expert. I am none of those. I am

just a poor country lawyer. I started off in a relatively modest background. I have questions.

Would you think that we should have some kind of a *de minimis*, and what should that line be, for ownership?

Mr. SAVICKAS. Again, I think, because of those ambiguities in parsing through some of these questions, TPA has not taken a stance on whether or not there should be a *de minimis*. I think, again, sweeping divestiture into diversified mutual funds and ETFs.

Mr. GRIFFITH. Here is my problem—

Mr. SAVICKAS. Sure.

Mr. GRIFFITH [continuing]. and why this is important to me. It is small potatoes—I mean, really small.

When the STOCK Act came out, I decided it was not worth the paperwork. So—and I use this all the time on the stump. Because I do not come from wealth. I decided just to sell my entire publicly traded portfolio. I, to this day, do not know what my wife did with the \$6,000.

Dr. MURPHY. She is wearing it around her neck.

Mr. GRIFFITH. What I did do, though—because I was trying to do the right thing. In 1990, the swimming pool I grew up with—and I still swim competitively today, not very fast, but I am still in there—was in trouble, and I led a group to buy it out. We bought it out. My family owns about 20 percent.

If we have a mandatory divestiture, the company—because the biggest asset—and it is worth more than you might think. It is not worth a fortune, but it sits on 3.2 acres of prime land. If I am forced to divest and my children—and, at the time, my children did not own any shares; now they do. If I am forced to divest, the company probably has to fold and sell out, because they cannot afford—they couldn't afford—it is not a cash-flow business.

Our idea was to keep the pool open. It is a for-profit company, even though we have not gotten a dividend in about 15 years. Nobody is upset about that, because we are trying to keep the facility open for the community. We have made money. There was a time in the 1990's where we made some pretty good money.

How do we make sure that we are not throwing out the baby with the bath water? Because I have to tell you, this place is important to me. It is important.

We have given a share to my son, of the parts that we own, because my wife also is blocked from being on the board by virtue of her job. As soon as he turned 18, we gave him a share so he could be on the board to represent our interests in this major investment.

It is actually, for us, a major investment even though it is not worth a fortune, and some of the money we have talked about today, this is small potatoes.

I want to make sure, when we talk about—we talked about agriculture, and if that was your—I am not in the profession, currently, of running swimming pools. I have been a certified pool operator, and I have been a lifeguard back in the day, but that is not my profession.

How do we make sure that we are not eliminating me or making me sell something that I feel strongly about because it has been a part of my childhood and part of all my kids' childhoods—and, by

the way, my son helped coach the team last year to the championship in Summer League Swimming.

How do we protect that while curing the ills of people who are trying to do bad things?

Mr. SAVICKAS. I think there is room, as I mentioned earlier to Chair Steil's question about the agricultural-related issues, looking at the exceptions for families on occupational-related investitures and the predislosures that Mr. Copland was talking about—

Mr. GRIFFITH. Predislosures I am good with.

Mr. SAVICKAS. Yes.

Mr. GRIFFITH. Occupational—nobody in my family is going to be in the occupation of operating a pool. I mean, that is the problem. We are not going to—but we are vested in time and energy and love in keeping that pool open.

Mr. SAVICKAS. Hmm. I would be happy to follow up with your office and talk—

Mr. GRIFFITH. I would love that.

Mr. SAVICKAS [continuing]. more about the specifics of the bill.

Mr. GRIFFITH. Anything you can get me later.

Mr. Straus and Mr. Copland, I appreciate your comments.

I would say this. When you say, if there is anything that might—that Congress might affect in the business and maybe you ought to consider getting out of that or doing something with that, it affects everything. Because I remember, before I got to Congress, we had the whole swimming-pool drain issue that Congress was affecting.

It affects whatever you are doing, even if it is a small community pool that wants to keep competitive swimming going in our part of town.

With that, Mr. Chairman, I yield back.

Chairman STEIL. The gentleman yields back.

The gentlewoman from California, Mrs. Torres, is recognized for 5 minutes.

Mrs. TORRES. Thank you, Chairman, for organizing this meeting.

Thank you to our guests for being here today.

I am greatly concerned and would like to know, how many Members of Congress and how many members of President Trump's Cabinet have used their privilege position and information for personal profit? Do any of you know?

Mr. COPLAND.

[Non-verbal response.]

Mr. SAVICKAS.

[Non-verbal response.]

Mr. STRAUS.

[Non-verbal response.]

Mrs. TORRES. The last report: Between 2019 and 2021, The New York Times found that 97 Members, or 18 percent of Congress, traded stocks in sectors related to their Committee work. In the 117th Congress, 78 violated the STOCK Act by failing to disclose in a timely manner.

We do not know exactly how many people in the administration have these types of conflict.

You know, my constituents sent me to Washington to address their immediate needs, the rising cost of out-of-pocket costs that

are making their lives extremely difficult, and to ensure that their Government is working for them. They certainly did not send me to enrich myself. As one of the poorest Members in Congress, I can say that with my head up. Former 911 dispatcher.

Members of Congress, the Trump administration, and their relatives should not have a blank check to use privileged information to cash in, while working families continue to struggle.

I am particularly concerned about public reports that Attorney General Pam Bondi, the person who leads the Department of Justice and is supposed to prosecute criminals and uphold our Constitution, sold up to \$5.5 million in Trump Media stock on the exact same day the President announced tariffs that sent that stock plummeting 13 percent. As head of the Department of Justice and a close friend of President Trump, she had access to information that working families in my district could never dream of having.

While she was gaming the stock market with special knowledge, families across the country were continuing to struggle with rising costs. Here we have our top law enforcement officer potentially using insider information to protect her personal wealth, while regular Americans continue to be left behind.

On February 11, 2 days before President Trump announced his tariff plans that sent markets plummeting, Secretary Duffy sold up to \$600,000 worth of stock across 34 companies. On that day of the announcement, he sold another \$50,000.

Secretary Duffy tweeted—and this is specifically disgusting to me. On that day, he tweeted that these tariffs are the culmination of his work on tariff policies—his work on tariff policies—having worked directly with Trump’s trade advisor, Peter Navarro, on reciprocal tariff legislation.

This episode exposes a dangerous loophole. Senior executive branch officials can legally trade individual stocks even when they have access to sensitive market-moving policy information or lead the policies themselves.

I am left wondering, what specific legislation reforms ensure that senior officials who shape policies that move markets cannot use technicalities to profit from their privileged access to information?

Because, right now, the message that we are sending hard-working taxpayers across America is that Government service comes with a stock-market advantage for those in power but the market crashes for those paying taxes.

Mr. Straus, is disclosure alone enough to make sure the powerful separate policymaking from personal financial gain?

Under current law, what specific mechanisms exist to investigate and prosecute a Cabinet official, like the Attorney General, for potential insider trading?

Mr. STRAUS. Thank you, Congresswoman.

The Ethics in Government Act requires covered executive branch officials to file financial disclosure statements annually with their agencies. The agencies all have ethics officials that evaluate those for real or perceived conflicts of interest and then work with the executive branch employee or Secretary or whoever to resolve any potential conflicts of interest that might exist, you know, in whatever way is appropriate in that setting.

Mrs. TORRES. Thank you.

I am going to yield back to the chair.

Chairman STEIL. The gentlewoman yields back.

The gentleman from North Carolina, Dr. Murphy, is recognized for 5 minutes.

Dr. MURPHY. Thank you, Mr. Chairman.

I think that this is a great meeting. This is a bipartisan issue. This is basically what has happened: We have lost the trust of the American people. There are egregious examples on both sides of the aisle, in all branches, of how we, as Members elected either/or in positions of power, have abused the position of authority and privilege. That is why we are here today.

I am going to give one example that I think is the most egregious of all of these. This is not to impugn the individual, but it is to impugn the activity.

The Washington Examiner published an article stating the following about Ms. Pelosi trading stocks: In 2021, her husband, Paul, bought \$1.9 million in Tesla call options the day before Biden announced the EV infrastructure plans that sent Tesla up 20 percent. In 2023, he traded between \$1 million and \$5 million in stocks in semiconductors mere days before Congress allocated \$52 billion for the industry. In 2024, he sold 2,000 shares of Visa stock a couple months before the DOJ announced its antitrust lawsuit.

Mr. Chairman, I would like to enter that into the record.

Chairman STEIL. Without objection.

[The Washington Examiner article follows:]




## Pelosi's retirement offers 278 million reasons to ban stock trading

By Washington Examiner  
November 9, 2025 5:00 am

We wish [Speaker Emerita Rep. Nancy Pelosi \(D-CA\)](#) happiness and health in her retirement. History will weigh her substantial legacy for decades to come.

One unfortunate aspect of her legacy is already known, and it will be the decline in public trust of Democratic institutions during her speakerships. Pelosi's soaring personal wealth during that time, the product of well-timed trades in tech stocks, options, and her husband Paul's venture-capital deals, contributed to a perception that lawmakers use insider information to enrich themselves at the expense of their constituents.

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### NANCY PELOSI WILL NOT SEEK REELECTION IN 2026

While never formally accused of wrongdoing, Pelosi's incredible good fortune in the stock market has raised eyebrows for years. In 2021, her husband Paul Pelosi bought \$1.95 million in Tesla call options the day before Biden announced EV infrastructure plans that sent TSLA up 20%. In 2023, he traded between \$1 million and \$5 million of [stocks](#) in semiconductors mere days before Congress allocated \$52 billion to the industry. And in 2024, he sold 2,000 shares of Visa stock mere months before the DOJ announced its [antitrust lawsuit](#) against the company. These perfectly timed deals, among others, netted the power couple tens of millions.

Since becoming speaker, Pelosi's wealth grew from roughly \$30 million to \$278 million today.

Efforts to limit or ban lawmakers from trading stocks while in office have failed. The 2012 Stop Trading on Congressional Knowledge (STOCK) Act increased transparency by making congressional disclosures searchable online for the first time, exposing conflicts of interest, but it lacked enforcement. The Act did not ban spouses or dependents from trading, nor did it create real penalties; the penalty for a member of

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Pelosi's retirement offers 278 Million reasons to ban stock trading

Congress violating the Act is a paltry \$200, hardly a deterrent for insider trading. No member of [Congress](#) has been prosecuted for insider trading since the law's passage. It is a dead letter.

Pelosi isn't the only lawmaker whose financial transactions prompt suspicion.

Sen. [Tommy Tuberville](#) (R-AL), who has reported [more trades](#) than 98% of Congress, disclosed between \$63,007 and \$245,000 worth of trading in defense stocks in 2024 immediately before Ukraine-aid votes. (Tuberville is a staunch defender of lawmakers trading stocks, saying any restrictions would be "ridiculous" and would "really cut back on [the number] of people" who would want to serve in Congress.)

Senate Intelligence Committee Chairman [Richard Burr](#) (R-NC) sold \$1.7 million in stocks immediately before COVID-19 hit the market in 2020 — and [only one week after co-authoring an op-ed in which he reassured constituents](#) about the threat of the COVID-19 pandemic. Burr's brother-in-law, following a phone call with Burr immediately before the crash, [called his broker and dumped stock](#) the same day. As Senate Intel Chair, Burr had received [access to classified intelligence reports](#) in January and early February that warned of the pandemic's severity. Burr came under a criminal investigation for the trades but was not charged.

These are only a few of many examples of troubling financial dealings by lawmakers.

A recent University of Maryland study shows that 86% of the public favors prohibiting stock-trading in individual companies by members of Congress. But Congress is the only body able to outlaw the practice. As yet, there is little appetite in the House to put a stop to the corrupt stock trading practices of its members. Pelosi herself, one of the most powerful congressional leaders in history, has been one of the chief opponents of reform.

It isn't cynical to suspect they are shaping policy with their bank accounts in mind — it's common sense.

#### [CHENEY, PELOSI, AND MAMDANI — THE AMERICAN SAGA CONTINUES](#)

In September, Rep. [Chip Roy](#) (R-TX) and Rep. [Seth Magaziner](#) (D-RI) [introduced H.R. 5106, the Restore Trust in Congress Act](#). The bill seeks to build on the STOCK Act by closing loopholes for family members and leveraged trades with mandatory divestment within 180 days and a 10% penalty plus full profit forfeiture for violations. The law has real teeth, and it should be passed as is.

A real crackdown on insider trading in Congress would be a fitting tribute to the retiring Speaker Emerita. Lawmakers should be forced to choose once and for all: serve the people or serve themselves, and nothing in between.

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Pelosi's retirement offers 278 Million reasons to ban stock trading

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Dr. MURPHY. When you have someone who comes here with a few million dollars and leaves with close to \$300 million and you see blips and blips and blips in their activity, there is something wrong—there is something wrong.

There are egregious examples on both sides of the aisle, and I am glad that this is a bipartisan effort to bring some responsibility here to Congress.

I am going to submit something different, because I think we are trying to make this more difficult than it really needs to be. I am just a dumb surgeon, so we try and make things very, very simple for us.

Why would we not say, OK, you come to Congress; what you did before leave be. Why do you have to divest? Why do you have to do all this other stuff? Why can you not just have, then, your day in Congress, you start here; you cannot have undue influence moving forward?

Because we create such a massive bureaucratic tax event that is unnecessary. You do not have to change anything you have done in the past; leave it be.

What I personally did: I took everything out, and I put them in directed-by-Vanguard mutual funds. I do not have anything touched with that. That is me, what I did moving forward, so I would be beyond reproach, that no one could ever say I manipulated this.

Why would we not do that—or, sorry. Why would we not say, OK, what you have done in the past is your business, as a Member of Congress you cannot exert anything—undue influence, and if you invest anything further, it would be in mutual funds, et cetera? Why would we create this massive bureaucracy?

I would love to have your answer.

Mr. SAVICKAS. I would say, in principle, I do not actually hate that idea.

I think one of the things that I spoke about in my opening statement is the perception of impropriety. I think, with a proposal that you just put forth—freezing everything, do not touch it, leave it be, and come back to it when you are out of office—leaves open the option that Members of Congress would come in and vote based on the interests of those preexisting holdings. I think that is a little bit where divestiture becomes perhaps more wise.

In principle, I do not actually dislike that proposal.

Dr. MURPHY. Yes. I just think, if you are asking someone—good Lord, if they are ancient like I am, in their 60's, and they have spent so many years accumulating different things, and you are asking for such a huge capital-gains—putting on my Ways and Means hat—such a capital-gains event, to the point of people making only so much in Congress, it is a huge, huge tax load. Good Lord, you know, we have not had raises in years. Fine. Whatever. Why would we not try to simplify this?

I do have another question, and maybe this has been answered before. How do we monitor the family members of Members of Congress or in the judiciary or whatever branch? How is that done, separately from what we do now? This is merely edifying me. I do not understand—I do not know that. Can somebody answer that?

Mr. STRAUS. The—

Dr. MURPHY. Because my son does not believe a damn thing I say anyway, and he has not for years and years, and if I ever said anything about stocks, he would just say, "Dad, shut up."

Mr. STRAUS. Individuals who are required to file financial disclosure reports or periodic transaction reports under the Ethics in Government Act or the STOCK Act also have to report for their spouse or their dependent children.

Dr. MURPHY. OK. All right. All right. Thanks.

Again, why do we make—this is a challenge for both of us. This is a bipartisan thing. I believe it restores the ability of the American people to trust us at least a little bit in some particular regard. There are egregious examples—and we just saw one here; we talk about them—on both sides of the aisle.

I applaud this effort. I hope our Senate colleagues will do the same. Let us make it as simple as possible so our Senators do not try to change things. I would submit that that would be the best plan.

I will yield back. Thank you, Mr. Chairman.

Chairman STEIL. The gentleman yields back.

The gentlewoman from Texas, Ms. Johnson, is recognized for 5 minutes.

Ms. JOHNSON. Well, thank you.

I want to echo my support for this discussion and some of the concerns brought around.

I think it is important to remember that today's hearing is not about whether Members feel that the rules are transparent; it is about whether the American people feel that the rules are transparent. Since taking office earlier this year, I have heard from countless constituents who are deeply concerned that Members of Congress operate under a different set of rules than the people we serve, as has been eloquently outlined today.

The issue is not about assuming bad intent; it is not about pointing fingers. It is about acknowledging the environment we serve in and working to do better.

Congress, today, faces historically low approval ratings, and if we want to rebuild our constituents' trust in the Government, we have to address their skepticism, because it is real, and we have to show people that we are willing to hold ourselves to the highest standards.

We can do everything to make a body as sure as—you know, removed from potential conflicts. When we appropriate funds for community projects, we certify that no one in our families has any financial interest in those. We hold each other accountable to the Ethics Committee, where Members face their peers' adherence to this conduct. When it comes to straight stock trading, the rules are very, very lax, and they definitely need to be strengthened.

I support this effort. This bill would be an important step toward addressing the corruption in Washington. These reforms are not overly burdensome, and they are not impossible to achieve, and it is something that is definitely worth pursuing.

Some comments that I have had about just the general discussion today: I absolutely feel that it is imperative that this applies to all branches of Government. Because the trust deficit that the American people has is with all branches of Government.

You know, ethics, high integrity of the process, should apply to the legislative branch, to the judicial branch, as well as the executive branch. It needs to be transparent through all of it. Not one branch should be exempt from appropriate ethics in this case.

I do want to echo Chairman Steil and Mr. Griffith's comments and concerns about the small family business, you know, and what to do with that. Maybe there is a capitalization limit that we could address so that you are not talking about your family business is Microsoft but your family business is owning a pool, you know? There is a very large difference in terms of your ability—the effects of your service here on that business. Maybe there is a capitalization requirement that we could put out there.

One of the issues—and I do think the divestment issue is something that is of concern. I have been trying to—I am a new Member of Congress; I have been trying to divest my own portfolio. As Members have said, you know, you want people who have had success in their professional career to come here, you want people who have been able to be proficient in life. We have to have a balance of public trust.

One of the questions I have for you guys is: What is a reasonable time to achieve divestment? When you are a new Member of Congress, what is that time period? Is it 3 months, 6 months, a year? Is it to the next electoral term? What do you think is the reasonable time period to achieve a full divestment?

Mr. COPLAND. I mean, I think it depends on the type of investment. The bills here mostly contemplate a 90-or 180-day-type window. For a publicly traded security that is liquid, I think that is reasonable.

Again, the tax treatment really, really matters here, but if you are able to just roll that gain to the future and divest, where you are taking your shares of Exxon and making them shares in the S&P 500 index, then that works just fine.

If you are talking about venture capital, private equity, it becomes much more complicated, and I think there has to be some allowance made there. Just, you know, get the ethics office involved in those sorts of cases, because, you know, it is not reasonable to say you have to dump that immediately in those sort of cases, but it is still something we need to watch.

Ms. JOHNSON. You think that different time periods for divestment should be put in place based on the nature of the investment, versus a standard, you know, if you are going to come to Congress, you need to be divested by X date—

Mr. COPLAND. Yes, I think—

Ms. JOHNSON [continuing]. so people can plan for that?

Mr. COPLAND. I think the context matters. I mean, something like the pool is a good example, where you have got a pool—you know, you cannot really sell that, you know?

Ms. JOHNSON. Maybe that—

Mr. COPLAND. Maybe that has got a de minimis exception.

Ms. JOHNSON [continuing]. does not require divestment at all. Because, you know, the impact of serving in Congress on probably a low-capitalized community pool, maybe that is—

Mr. COPLAND. Right. That would maybe be a small-business exemption—

Ms. JOHNSON. Right.

Mr. COPLAND [continuing]. which are in some of these, et cetera.

You know, let us say, you know, Steve Ballmer says, "Oh, well, the L.A. Clippers are not doing so well. I want to go run for Senate in California," and he has got a massive stake in Microsoft, for example. How do you handle that?

It is not a super-clear, easy answer on those sorts of questions, and, you know, it is a little complicated, more complicated than the average person who would come in to be a Member.

Ms. JOHNSON. Thank you.

I yield back.

Chairman STEIL. The gentlewoman yields back.

The gentlewoman from Oklahoma, Mrs. Bice, is recognized for 5 minutes.

Mrs. BICE. Thank you, Mr. Chairman. I appreciate the opportunity.

Thank you to the witnesses for being with us this morning.

I think this topic is incredibly important, as stock trades made by Members have come under incredible scrutiny over the past few years.

When multiple senior Members of Congress—and as my colleague Dr. Murphy mentioned, this is not a partisan issue. When you have Members of Congress that are consistently beating out some of the best investors in the country and the S&P 500, there is a problem.

Upon my election to Congress, I actually divested all of my individual stocks. I think it is important to be as transparent as possible when working for your constituents and have no other allegiances.

As was mentioned by my colleague from Texas, trust in this institution is low, and Congress can take action to restore trust. I think this bill is a good first step toward regaining the trust that the institution deserves, but, frankly, I do not think it goes far enough.

I would also offer up that the rules on the books should actually be enforced, and Members who improperly trade should not get a slap on the wrist.

With that being said, I do want to hear from the witnesses this morning and talk a little bit about other alternatives.

Let me offer this up. Many senior executives have to have pre-clearance trades before placing them, to ensure they are in compliance with their employer's code of ethics and not trading non-public information.

Because I do not own any individual stocks, I would wonder if this is not an option. Would a pre-clearance process create transparency while still allowing Members to lawfully purchase stocks to address some of the concerns?

Mr. Copland, if you want to—you were nodding your head feverishly. I think that—

Mr. COPLAND. Yes. Yes. I think that is a reasonable approach in many cases here. I mean, this is exactly what happens in certain types of corporate situations, certain types of law firms, where you have to get pre-clearance with your internal people that work on the ethics and the compliance there. I think something similar

could be put into place, I would say, easily—it is not easy, but it could be done in a way that is reasonably fair.

Because, you know, even if you did not require full divestiture, people will need to change positions. You may have companies that have spin-offs or mergers or other things, and you need to rebalance a portfolio. You are not working on insider information, but you need to make a move. I think pre-clearances there makes sense, and it is sort of inherently showing that you are not trading on inside information in those cases.

Mrs. BICE. All right.

Either one of you want to respond?

Mr. SAVICKAS. I think, in principle, that is an effective solution. We would want to look at any specific proposal for language on, again, how that is enforced and how that is addressed. You know, my father has worked in equities trading for banks for a number of years, and he has to pre-clear all of his trades as well, and occasionally he tells me about it and complains.

Mrs. BICE. Well, let me also ask, do you think that we should focus on actions that legitimately restore the trust in Government—we should—I am sorry—be focusing on actions that restore trust, not erode it. I also think that maybe this is not going far enough.

I think about judges who oversee antitrust cases. I think about senior congressional staff, who may actually have as much information and in some cases more than many of us do. I think about senior executive branch staffers who may have additional information.

What would be one addition that you think could be added to the STOCK Act that would make an impact?

Mr. COPLAND. In terms of who is covered? I tend to agree that, at least for the non-constitutional officers, the other branches of Government, you ought to have relatively comparable sorts of protections in there.

You are absolutely right; I mean, in the judiciary, it is totally the case. As someone who was a law clerk for a Federal judge, it is like, you know, yes, I knew things that were going on, I knew decisions that were going to be made. You know, we had ethics requirements over us, but I do not know with specificity what they were. I never would have even—I couldn't have fathomed trying to trade on that information, but it is certainly a risk.

It is something that I think ought to be swept in, with the notion that you want to have some comity to the other branches. I think, if you are not talking about the constitutional officers, you could go pretty far.

Mr. SAVICKAS. Yes. TPA has stopped short of endorsing similar legislation to apply to the judicial branch just because of the nature of lifetime appointments and some of the differences there. We have not come out in opposition to it either, but we would want to look far more deeply at including judicial-branch members in these types of prohibitions.

Mrs. BICE. Do you have, Mr. Straus—thank you.

Well, I appreciate the conversation. I think this is an important one. I do believe that we have to do something to restore trust and faith in the institution as it relates to investments. I look forward to continuing this conversation.

With that, Chairman, I yield.

Chairman STEIL. The gentlewoman yields back.

The gentleman from Ohio, Mr. Carey, is recognized for 5 minutes.

Mr. CAREY. Thank you. I want to thank the Chairman, obviously. I want to thank the Ranking Member, as well as our witnesses, for being here today.

A lot of questions that I do have, and I am going to try to go through some of them.

We know, as Members of Congress, we were sent here on behalf of our constituents and to represent them to the best of our ability. Recent polling, as has been outlined by Members on both sides, have shown that Americans' trust in Congress is at a five-decade low. Incredible.

I am going to ask a few questions.

First, Mr. Copland, how would you strengthen the required financial disclosures among Members to be effective in deterring corporate trading practices?

Mr. COPLAND. Well, the disclosures right now are reas—I mean, \$1,000 is a reasonably low threshold; 45 days is reasonable. I think the question there would be, in terms of disclosure, would a pre-disclosure or a pre-clearance be a better prophylactic?

I think you can think about certain exceptions in these outlier cases. If someone has a large chunk of stock in a single company, there may need to be certain allowances made. Those are exceptional cases.

In the ordinary case, I think there is no reason why we couldn't have something like that, which I think would deter—you know, it would deter the value of your insider trade, because if it is—certainly if it is made public in advance, but even if it is just made in advance to the ethics office, then it is something that could raise a red flag, right? You would be ceding some control there.

I think, if you wanted to stop short of a total divestiture rule, like some of these bills contemplate, you know, that is a reasonable step to step up the STOCK Act.

Mr. CAREY. OK.

Let me—Mr. Savickas, you mentioned, I think, in your testimony that you felt that \$200 was not an adequate amount as a fine. What do you think would be a sufficient amount?

A second part of that: What changes would you propose to adequately fine those that violate the STOCK Act? The reason I say that—should the fine actually be a percentage of the amount involved in the transaction, or some variation of a theme on that?

Mr. SAVICKAS. Yes, the bill we have endorsed, the Restore Trust in Congress Act, would change the fine to the greater of two amounts—either \$1,000 or the amount of profit made or loss avoided based on the trade that is in violation. We would be open to assessing whether that becomes a percentage in follow-on proposals.

We think the balance struck in the Restore Trust in Congress Act—\$1,000 or the profit made, whichever is larger.

Mr. CAREY. OK. The profit made. As a percentage, is there anything that you think in that percentage-wise?

Mr. SAVICKAS. Not specific numbers. Open to looking at any and all. I think, I believe it is 100 percent of the profit made—

Mr. CAREY. OK.

Mr. SAVICKAS [continuing]. as the text of the Restore Trust in Congress as I read it.

Mr. CAREY. I am going to open this up for any of you, quite frankly. What happens in the situation—and many of you have spent some time on the Hill. You look at many of us around here; we all have family.

What happens in the instance where, you know, unfortunately, somebody passes and you inherit, whether it is land, whether it is some type of stock, ownership of a company? How do we address that?

I would open that up to any of you. Thankfully, I have not had to go through that, but—

Mr. COPLAND. I mean, to some degree, that is easier unless you are talking about closely held businesses, family businesses, farms. I mean, if—because the capital-gains basis would step up in the estate, right? It would be easy to dispose of a publicly traded security in that case, you know, without anything else. You could easily divest such things.

Again, there are exceptional cases out there. A lot of times, that is what we are most worried about, are the cases where you have a swimming pool or you have a farm or something that is not easily disposed of.

Otherwise, you know, that sort of event—most of these bills, if you come into it, you know, it would just have a similar window of time to dispose of. In the ordinary case, that would be pretty simple.

Mr. CAREY. OK.

Anybody else?

OK. Well, I want to thank you all for being here today.

Again, I want to thank the Chairman. With that, I yield back. Chairman STEIL. The gentleman yields back.

The gentlewoman from Illinois, Mrs. Miller, is recognized for 5 minutes.

Mrs. MILLER. Thank you, Mr. Chairman, for convening this hearing on the issue of stock trading in Congress, and to our witnesses for being here. Appreciate it.

As a Member of Congress, we should be held to a higher standard of personal and professional behavior. I was just thinking about the lack of the fear of God among Members. “It is appointed unto man once to die and then the judgment,” and we are not going to take a pile of money to hell with us. People that are wantonly treacherous, that are disloyal to their constituents, to our country, to future generations, should be held accountable. They should be put to shame.

The actions of this body do have a direct impact on the public’s faith in this institution. Our constituents must be able to trust that their elected representatives are using their positions to serve the American people and not ourselves.

When the stock portfolios of Members of Congress regularly beat the S&P 500 and Members leave the office with vastly higher net worths than when they arrived, the public is right to be alarmed.

Mr. Copland, do you believe that the current law regulating stock trading by Members and key employees provides for adequate de-

terrence of wrongdoing and sufficient enforcement when Members or staff fail to comply? They do not fear God; they are disloyal to the country and their constituents. This is disgraceful.

Mr. COPLAND. The short answer to that is, no, I do not think the adequate law—that the current law is adequate.

Mrs. MILLER. Uh-huh.

When we talked about fines and basically a flick on the cheek, they need to be adequate. A dollar amount—a percentage amount of a fine would be better, right, than a dollar amount?

Mr. COPLAND. I have no problem with the disgorgement. I mean, again, that is sort of violation of a reporting rule under the current law, but I have no problem with the disgorgement.

If it is a big trade, you would be really, really careful. If it is a small trade, eh, OK. But—and that is not really what we are as much worried about.

Mrs. MILLER. OK.

When examining the numerous proposals, Mr. Copland, to restrict Member stock trading, how do we ensure that enforcement is impartial and evenly applied to all Members?

Mr. COPLAND. Yes, that is sort of the rub there. I mean, part of the problem is the enforcement mechanism, and we have reserved—the STOCK Act reserves it to your own bodies, your own ethics offices or independent committees set up under your own body. If you transfer that to the executive branch, you know, there is always the concern of partisanship. Again, that could apply to this body as well. The enforcement mechanisms really do matter there, and, you know, you have to take that into account.

I think it is important. I think there is some evidence to suggest that self-policing is not working well now, right? Some of that may be substantive rules, and some of that may be process in terms of how you actually handle it. I would think carefully about that process. I am happy to work with the Members on it.

Mrs. MILLER. OK. Thank you.

Mr. Savickas, I ask the same question, as I believe it is critical that all Members are held to the same standard, whether they are a first-term Member or a certain former Speaker of the House—who, I would note, has not been mentioned once by the Democrat Members of this Committee despite making over \$100 million from her time in public service.

Would you—in light of restricting stock trading, how do we make sure that enforcement is impartial and evenly applied to all Members?

Mr. SAVICKAS. Yes, I think it has to be far less subjective. How that looks is up to interpretation. Whether it is an independent commission remains to be seen. I think the executive branch enforcement can be subjective and politicized and the self-policing regime has not worked.

Mrs. MILLER. Would you support enforcement being led by an independent entity that would operate without interference from the legislative or executive branches?

Mr. SAVICKAS. In principle, yes, reserving the right to look at any specific proposal.

Mrs. MILLER. Right. Thank you so much.  
I yield back.

Chairman STEIL. The gentlewoman yields back.  
Without objection, I would like to enter the testimony into the  
record of our colleague, Representative Mark Alford.  
Without objection, so ordered.  
[Representative Mark Alford testimony follows:]

**House Administration Committee Hearing: Taking Stock of the STOCK Act****Remarks:**

Chairman Steil and Ranking Member Morelle, thank you for holding this important hearing today. I have long believed that as elected officials, Members of Congress should not be trading individual stocks. Public trust in Congress as an institution is near all-time lows with an October 2025 Gallup poll having Congressional approval rate of just 15%.<sup>1</sup> One small way that Congress can attempt to regain the public's trust is by passing legislation to ban stock trading. According to a study by the University of San Diego, stock trading by Members of Congress is deeply unpopular with 86% of Democrats and Republicans in favor of banning it.<sup>2</sup> With overwhelming public support, I strongly applaud your Committee's decision to pursue potential paths to reform.

As public servants, we should hold ourselves to a higher standard and avoid even the appearance of corruption. As the University of San Diego study showed, public trust is not predicated upon Congress following existing laws that ban insider trading, but that Members of Congress even owning individual stocks undermines

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<sup>1</sup> <https://news.gallup.com/poll/1600/congress-public.aspx>

<sup>2</sup> <https://www.pnas.org/doi/10.1073/pnas.2501822122>

trust.<sup>3</sup> This is why I introduced the Preventing Elected Leaders from Owning Securities and Investments Act or the PELOSI Act.

The PELOSI Act bans lawmakers and their spouses from holding, purchasing, or selling individual stocks while in office, but allows investments in diversified mutual funds, exchange-traded funds, or U.S. Treasury bonds. The legislation gives current lawmakers 180 days to comply with the restrictions and allows newly elected members of Congress the same 180-day compliance timeline after taking office. Violations of the PELOSI Act require the forfeiture of any stock profits to the U.S. Department of the Treasury as well as monetary penalties imposed by the House and Senate ethics committees.

The current rules are not enough, the public is not convinced by quarterly reports and pinky promises that Members are not trading on insider information. I urge this Committee to pass a strong reform measure, the American people demand action and we must respond.

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<sup>3</sup> Ibid

Chairman STEIL. I think we learned a lot today. I will say, I did not know Mr. Griffith had a pool. I did also learn that there is a woman in the audience in a professional capacity who was the beneficiary of that pool who is here with us today, which is unique and special as well.

I do think there are a lot of important topics and a complexity to this issue. I would like to thank all of our Members for joining us today, all of our witnesses for appearing before us as well.

The Members of the Committee may have some additional questions for you, and we ask that you please respond to those questions in writing.

Without objection, each Member will have 5 legislative days to insert additional material into the record or to revise and extend their remarks.

If there is no further business, I want to thank the Members for their participation, and, without objection, the Committee stands adjourned.

[Whereupon, at 11:27 a.m., the Committee was adjourned.]

## QUESTIONS FOR THE RECORD



### MEMORANDUM

January 14, 2026

**To:** Honorable Bryan Steil  
**From:** Jacob R. Straus, Specialist on the Congress, [jstraus@crs.loc.gov](mailto:jstraus@crs.loc.gov), 7-6438  
**Subject:** Responses to Questions for the Record from November 19, 2025, Hearing of the House Administration Committee, “Taking Stock of the STOCK Act”

This memorandum provides answers to Questions for the Record received from your staff on the Committee on House Administration following a November 19, 2025, hearing titled “Taking Stock of the STOCK Act.”

Information in this memorandum is drawn from publicly available sources and may be of general interest to Congress. As such, all or part of this information may be provided by the Congressional Research Service (CRS) in memoranda or reports for general distribution for Congress.

#### 1. Please elaborate on the securities trading prohibition proposals in recent Congresses that extended prohibitions beyond the legislative branch.

##### *a. For example, to what extent do such proposals consider the President, the Vice President, members of the Cabinet, other Senate-confirmed officials, Justices of the Supreme Court, or other federal judges?*

As of November 19, 2025, when the Committee on House Administration held the hearing titled “Taking Stock of the STOCK Act,” there were 25 introduced measures in the 119<sup>th</sup> Congress (2025-2026) that proposed some limitation on financial activities of Members or federal office holders or employees.<sup>1</sup> Of those measures, at least ten included covered individuals beyond the legislative branch. **Table 1** lists the bills introduced in the 119<sup>th</sup> Congress that would also apply restrictions to officials outside of the legislative branch.

<sup>1</sup> Since November 19, 2025, at least two additional bills (H.R. 6731, “The Restore Trust in Government Act,” and S. 3201, the “Good Government Act of 2025”) have been introduced that propose to limit a Member of Congress, their spouse, or dependents from engaging in covered financial activities. S. 3201 only includes Members of Congress, spouses, and dependents as covered individuals, while H.R. 6731 would limit covered financial activities by a Member of Congress, their spouse or dependents, the President (and their spouse or dependents), the Vice President (and their spouse or dependents), and trustees of a trust of a Member of Congress. For an analysis of proposals in the 119<sup>th</sup> Congress, with the exception of H.R. 6731 and S. 3201, see CRS Report R48641, *Proposals to Limit Member of Congress Financial Activities: Analysis of Introduced Legislation in the 119<sup>th</sup> Congress*, by Jacob R. Straus. For analysis of legislation introduced to limit Member financial activity in previous congresses, see CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*, by Jacob R. Straus.

**Table I. Proposals to Limit or Prohibit Financial Activities by Non-Legislative Branch Officials, 119<sup>th</sup> Congress (2025-2026)**

Bill or Resolution	Covered Non-Legislative Branch Officials	Proposed Restrictions
S. 1498 (reported by the Senate Homeland Security and Governmental Affairs Committee) Halting Ownership and Non-Ethical Stock Transactions (HONEST) Act <sup>a</sup>	President; Vice President; spouses and dependents	Would prohibit the purchase of covered investments; would prohibit the use of qualified blind trusts, and requires divestiture of covered investments
H.R. 1712/S. 1620 Modern Emoluments and Malfeasance Enforcement Act (MEME) Act <sup>b</sup>	President; Vice President; a public official (as defined in section 201(a) of title 18); or spouses, and dependents <sup>c</sup>	Would prohibit issuance, sponsorship, or promotion of a covered asset for a pecuniary gain; prohibit engaging in or benefit from a prohibited financial transaction
H.R. 3573 Stop Trading, Retention, and Unfair Market Payoffs in Crypto Act of 2025 ("Stop TRUMP in Crypto Act of 2025")	President; Vice President; or spouse, child, son-in-law, or daughter-in-law, as determined under applicable common law	Would prohibit ownership of a proportion of a digital asset that would allow the holder to unilaterally make changes to the digital asset; would prohibit serving as an officer, director, or owner of a digital asset issuer; and would prohibit issuing, sponsoring, promoting, or receiving direct or indirect compensation from a digital asset; would prohibit trading digital assets while in office, if the covered individual has material nonpublic information about digital assets; would prohibit using an intermediary to take "any action prohibited by this Act" <sup>d</sup>
H.R. 3779 STOCK Act 2.0, §5	President; Vice President; a special Government employee (as that term is defined in section 202 of title 18, United States Code); the Chief Justice of the United States; an Associate Justice of the Supreme Court of the United States; a member of the Board of Governors of the Federal Reserve System; a president or vice president of a Federal Reserve bank; or spouses and dependents	Would prohibit the ownership, purchase, or sale of covered financial instruments; would prohibit transactions that create a net short position on any security; would prohibit service as an officer or board member of any for-profit association, corporation, or other entity
H.R. 3849/S. 1803 Stop Trading Assets Benefitting Lawmakers' Earnings while Governing Exotic and Novel Investments in the United States (STABLE GENIUS) Act	President; Vice President; and a candidate in a covered election (to the office of President or Vice President)	Would prohibit the issuance, sponsorship, endorsement, purchase, sale, or holding of covered financial instruments; would require placement of assets in a qualified blind trust, and trust must be divested of those assets not later than 6 months after
H.R. 6731 Restore Trust in Government Act	President; Vice-President; or spouses and dependents	Would prohibit direct or indirect ownership or trading of a covered investment

Bill or Resolution	Covered Non-Legislative Branch Officials	Proposed Restrictions
S. 1668 End Crypto Corruption Act of 2025	President; Vice President; an individual appointed to a Senate-confirmed position; or a special Government employee (as defined in section 202 of title 18) associated with the Executive Office of the President; or spouses and dependents	Would prohibit direct or indirect engagement in a prohibited financial transaction, including issuance, sponsorship, or endorsement of certain digital assets or similar interests
S. 2143 Curbing Officials' Income and Nondisclosure (COIN) Act	Individuals required to file a public financial statement under the Ethics in Government Act (5 U.S.C. §13103(f)) <sup>e</sup>	Would prohibit covered financial transactions, defined to include transactions involving certain digital assets
S. 2877 No Stock Act	President; Vice President; the Chief Justice of the United States; an Associate Justice of the Supreme Court of the United States; a member of the Board of Governors of the Federal Reserve System; a president or vice president of a Federal Reserve bank; or spouses and dependents	Would prohibits holding, purchasing, selling, or conducting any type of transaction with a covered financial instrument (except for required divestiture); would prohibit transaction that creates a net short position in any security; would prohibit covered individuals from serving as an officer or board member for any for-profit association, corporation, or other entity

**Source:** CRS analysis of legislation on Congress.gov through November 28, 2025.

**Notes:**

- a. As introduced, S. 1498, the Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act, was identical to H.R. 3388. On December 10, 2025, the Senate Homeland Security and Governmental Affairs Committee reported S. 1498 as the "Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act," with an amendment in the nature of a substitute. For a summary of S. 1498, as introduced, see H.R. 3388, as introduced. For text of the amendment as ordered to be reported, see <https://www.hsgac.senate.gov/library/files/189492>.
- b. H.R. 1712/S. 1620, the Modern Emoluments and Malfeasance Enforcement Act (MEME) Act, would also apply proposed restrictions to "adjacent individuals," who are defined as "(A) each officer or employee in the executive branch holding a Senior Executive Service position (as defined in section 3132(a)(2)); (B) each member of a uniformed service whose pay grade is at or in excess of O-7 under section 201 of title 37; (C) each officer or employee in any other position in the executive branch determined by the Office of the Special Counsel, in consultation with the Director of the Office of Government Ethics, to be of equal classification to a position described in subparagraph (A) or (B); or (D) the spouse or dependent child of any individual described in subparagraph (A), (B), or (C).
- c. 18 U.S.C. §201(a) defines a public official as a "Member of Congress, Delegate, or Resident Commissioner, either before or after such official has qualified, or an officer or employee or person acting for or on behalf of the United States, or any department, agency or branch of Government thereof, including the District of Columbia, in any official function, under or by authority of any such department, agency, or branch of Government, or a juror."
- d. H.R. 3573, Section 3(a) would create a prohibition on indirect participation through intermediaries and beneficial ownership by a covered official. The provision provides that "A covered individual may not take any action prohibited by this Act through any trust, corporation, partnership, limited liability company, unincorporated association, political committee, nonprofit organization, or other entity or person, including any digital wallet or protocol, if such covered individual—(1) directly or indirectly exercises control over such entity; (2) acts through such entity as a beneficial owner; or (3) has received or expects to receive compensation, financial benefit, or influence as a result of the entity's engagement in digital asset activities described in this Act."
- e. The Ethics in Government Act (5 U.S.C. §13103(f)) defines public financial disclosure filers as "(1) the President; (2) the Vice President; (3) each officer or employee in the executive branch, including a special Government employee, as defined in section 202 of title 18, who occupies a position classified above GS-15 of the General Schedule or, in the case of positions not under the General Schedule, for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule; each member of a uniformed service whose pay grade is at or in excess of O-7 under section 201 of title 37; and each officer or employee in any other position determined by the Director of the Office of Government Ethics to be of equal classification; (4) each employee appointed pursuant to section 3105 of this title; (5) any employee not described in paragraph (3) who is in a position in the executive branch which is excepted from the competitive service by reason of being of a confidential or policymaking character, except that the Director of the Office of Government Ethics may, by regulation, exclude

from the application of this paragraph any individual, or group of individuals, who are in such positions, but only in cases in which the Director determines such exclusion would not affect adversely the integrity of the Government or the public's confidence in the integrity of the Government; (6) the Postmaster General, the Deputy Postmaster General, each Governor of the Board of Governors of the United States Postal Service and each officer or employee of the United States Postal Service or Postal Regulatory Commission who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS-15 of the General Schedule; (7) the Director of the Office of Government Ethics and each designated agency ethics official; (8) any civilian employee not described in paragraph (3), employed in the Executive Office of the President (other than a special Government employee) who holds a commission of appointment from the President; (9) a Member of Congress as defined in section 13101 of this title; (10) an officer or employee of the Congress as defined in section 13101 of this title; (11) a judicial officer as defined in section 13101 of this title; and (12) a judicial employee as defined in section 13101 of this title."

**b. Can you also please elaborate on proposals that consider senior congressional staff?**

Some limited number of proposals have included congressional staff as proposed covered officials. Introduced measures that include congressional staff generally propose to prohibit the purchase or sale of covered investments and/or require congressional staff to report an application for, or receipt of, non-salary payments from the federal government, including loan agreements, contracts, or grants. **Table 2** lists bills introduced since the 115<sup>th</sup> Congress (2017-2018) that include congressional staff among proposed covered officials.

**Table 2. Proposals to Limit Congressional Staff Financial Activities**

115<sup>th</sup> Congress (2017-2018) through 118<sup>th</sup> Congress (2023-2024)

Bill or Resolution	Covered Congressional Staff	Proposed Limitation(s)
<b>115<sup>th</sup> Congress (2017-2018)</b>		
S. 3718 Ban Conflicted Trading Act	An individual employed as an officer or employee of Congress required to file a report under the Ethics in Government Act	Would have prohibited purchase or sale of covered investments
<b>116<sup>th</sup> Congress (2019-2020)</b>		
H.R. 6401/S. 1393 Ban Conflicted Trading Act	An individual employed as an officer or employee of Congress required to file a report under the Ethics in Government Act	Would have prohibited purchase or sale of covered investments; would have prohibited transactions that create a net short position on any security
<b>117<sup>th</sup> Congress (2021-2022)</b>		
H.R. 1579/S. 564 Ban Conflicted Trading Act	An individual employed as an officer or employee of Congress required to file a report under the Ethics in Government Act	Would have prohibited purchase or sale of covered investments; would have prohibited transactions that create a net short position on any security
H.R. 6694 and S. 3612 STOCK Act 2.0	An officer or employee of Congress, and their spouse and dependent, as defined under 5 U.S.C. §13101 <sup>b</sup>	Would have required reporting of application for, or receipt, of non-salary payments from the Federal government, including loan agreements, contracts, or grants

Bill or Resolution	Covered Congressional Staff	Proposed Limitation(s)
<b>118<sup>th</sup> Congress (2023-2024)</b>		
H.R. 389 PORTFOLIO (Preventing Opportunistic Returns on Trades and Futures by Officials, Leadership, and Individuals in Office) Act	Employees of Congress described in 5 U.S.C. §2105 <sup>a</sup>	Would have prohibited trade and ownership of covered investments
H.R. 2383 Prohibition of Financial Trading on Government Property Act	Employees of Congress described in 5 U.S.C. §2105 <sup>a</sup>	Would have prohibited financial trading activities on federal government property or with federal government resources
H.R. 6842/S. 3555 STOCK Act 2.0	An officer or employee of Congress, and their spouse and dependent, as defined under 5 U.S.C. §13101 <sup>b</sup>	Would have required reporting of application for, or receipt, of non- salary payments from the Federal government, including loan agreements, contracts, or grants

**Source:** CRS analysis of legislation on Congress.gov through November 18, 2025.

**Notes:**

- a. 5 U.S.C. §2105 defines an “employee” as “an individual who is appointed in the civil service by one of the following acting in an official capacity—... (B) a Member of Congress, or the Congress.”
- b. 5 U.S.C. §13101 defines an “officer or employee of Congress,” as “an individual described in subparagraph (A), (B), or (C), other than a Member of Congress or the Vice President, whose compensation is disbursed by the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives. The individuals described in subparagraphs (A), (B), and (C) are—(A) each officer or employee of the legislative branch (except any officer or employee of the Government Accountability Office) who, for at least 60 days, occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; (B) each officer or employee of the Government Accountability Office who, for at least 60 consecutive days, occupies a position for which the rate of basic pay, minus the amount of locality pay that would have been authorized under section 5304 of this title (had the officer or employee been paid under the General Schedule) for the locality within which the position of such officer or employee is located (as determined by the Comptroller General), is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; and (C) at least one principal assistant designated for purposes of this paragraph by each Member who does not have an employee who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule.”

## 2. Please elaborate on the tax considerations of the various pieces of legislation, and the extent to which different proposals would have divergent effects on covered individuals’ tax liabilities.

Some proposals introduced in the 119<sup>th</sup> Congress aiming to limit or restrict covered parties from the ownership or sale of certain covered assets would involve a required divestiture of the covered assets. In general, a requirement to divest of covered assets could result in a capital gain. Under existing tax law,<sup>2</sup> “certificates of divestiture” are potentially available to qualified executive branch and judicial branch officials or employees “to defer paying capital gains tax on property sold to comply with conflict of interest requirements.”<sup>3</sup> To defer gains from the required divestment of assets in the executive branch, “an eligible person must obtain a Certificate of Divestiture from the Director of the Office of Government Ethics before selling the property.”<sup>4</sup> In the judicial branch, “an eligible person ... must obtain a certificate

<sup>2</sup> 6 U.S.C. §1043(b)(2).

<sup>3</sup> 5 C.F.R. §2634.1001(a).

<sup>4</sup> 5 C.F.R. §2634.1001(a).

of divestiture ... from the Committee on Codes of Conduct.<sup>5</sup> In both cases, certificates of divestiture must be obtained prior to selling the covered asset in order to defer the capital gain.<sup>6</sup>

Current tax law does not include legislative branch officials among those eligible for a certificate of divestiture.<sup>7</sup> Several proposals would amend the Internal Revenue Code of 1986 to provide covered legislative branch officials and employees with the potential to receive a certificate of divestiture for the required divestment of covered assets.<sup>8</sup>

CRS has additional expertise on tax issues. Please do not hesitate to reach out for additional follow up with additional questions.

### 3. Please detail the ways in which digital assets are covered by the various securities trading prohibition proposals.

Some introduced measures propose to limit digital asset ownership and transactions, while others propose to limit a covered official's ability to issue digital assets.<sup>9</sup> **Table 3** lists the bills since the 117<sup>th</sup> Congress (2021-2022) that reference digital assets. Proposals prior to the 117<sup>th</sup> Congress did not include digital assets among the lists of covered or exempted assets.<sup>10</sup> All language included in the right-hand column of **Table 3** for each bill is quoted from the bill text. The inclusion of quotation marks indicates that quotation marks were included in that section of the bill. *Emphasis added* for each reference of a digital asset.

**Table 3. Proposals to Limit or Prohibit Digital Asset Transactions**

117<sup>th</sup> Congress (2021-2022) to 119<sup>th</sup> Congress (2025-2026)

Bill or Resolution	Mentions of Digital Assets
<b>117<sup>th</sup> Congress (2021-2022)</b>	
H.R. 6694/ S. 3612 STOCK Act 2.0	SEC. 5. Banning conflicted trades. ... “(2) COVERED INVESTMENT.— ... “(IV) <i>cryptocurrency, such as a coin or token—</i> “(aa) <i>received in connection with an initial coin offering; or</i> “(bb) <i>issued or distributed using distributed ledger or blockchain technology</i> ”

<sup>5</sup> Judicial Conference, *Guide to Judicial Policy*, “Vol. 2: Ethics and Judicial Conduct; Pt. C: Ethics Statutes, Regulations, and Judicial Conference Resolutions; Ch. 2: Certificates of Divestiture,” §210.30, pp. 1-2, <https://www.uscourts.gov/file/35732/download>.

<sup>6</sup> 5 C.F.R. §2634.1001(a); *Guide to Judicial Policy*, §210.30(a).

<sup>7</sup> 26 U.S.C. §1043(b)(2).

<sup>8</sup> H.R. 253; H.R. 1756; H.R. 1908; H.R. 3779; H.R. 5106; S. 2877.

<sup>9</sup> This analysis does not include legislation that would regulate cryptocurrency or digital assets such as the GENIUS Act (P.L. 119-27, 139 Stat. 419 (2025)). For analysis of the GENIUS Act, see CRS Insight IN12522, *Stablecoin Legislation: An Overview of S. 919, GENIUS Act of 2025*, by Paul Tierno; and P.L. 119-27/CRS Insight IN12553, *Stablecoin Legislation: An Overview of S. 1582, GENIUS Act of 2025*, by Paul Tierno.

<sup>10</sup> For more information on proposals to limit Member of Congress financial transactions between the 115<sup>th</sup> Congress (2017-2018) and the 118<sup>th</sup> Congress (2023-2024), see CRS Report R47818, *Proposals to Limit Financial Activities of Members of Congress: Background and Analysis of Legislative Proposals*, by Jacob R. Straus.

Bill or Resolution	Mentions of Digital Assets
<b>118th Congress (2023-2024)<sup>a</sup></b>	
H.R. 389 PORTFOLIO (Preventing Opportunistic Returns on Trades and Futures by Officials, Leadership, and Individuals in Office) Act	"TITLE II—Restrictions on trade and ownership of covered investments by federal personnel "SEC. 201. Definitions. ... "(2) COVERED INVESTMENT.—The term 'covered investment'— "(A) means an investment in a security, a commodity, a future, <i>cryptocurrency</i> or <i>other digital asset</i> , or any comparable economic interest acquired through synthetic means, such as the use of a derivative, including an option, warrant, or other similar means;
H.R. 2383 Prohibition of Financial Trading on Government Property Act	SEC. 2. Prohibition on financial trading activity while on Government property or using Government resources. ... (f) Definitions.—In this Act— ... (3) the term "financial trading activity" means the buying or selling of any stock, bond, commodity, future, <i>cryptocurrency</i> or <i>other digital asset</i> , or other form of security, including an interest in a hedge fund, a derivative, option, or other complex investment vehicle; and
H.R. 6842/ S. 3555 STOCK Act 2.0	SEC. 5. Banning conflicted interests. ... "(2) COVERED FINANCIAL INTEREST.— "(A) IN GENERAL.—The term 'covered financial interest' means— ... "(IV) <i>cryptocurrency</i> , such as a coin or token— "(aa) <i>received in connection with an initial coin offering</i> ; or "(bb) <i>issued or distributed using distributed ledger or blockchain technology</i>
<b>119th Congress (2025-2026)</b>	
S. 1498 (as reported by the Senate Homeland Security and Governmental Affairs Committee) Halting Ownership and Non-Ethical Stock Transactions Act (HONEST) Act <b>Error!</b> <b>Reference source            not found.</b>	SEC. 2. DIVESTMENT OF CERTAIN ASSETS OF MEMBERS OF CONGRESS, THE PRESIDENT, THE VICE PRESIDENT, AND THEIR SPOUSES AND DEPENDENT CHILDREN ... "(6) DIGITAL ASSET.—The term 'digital asset' means any digital representation of value that is recorded on a cryptographically secured distributed ledger or any similar technology.
H.R. 1712/S. 1620 Modern Emoluments and Malfeasance Enforcement Act (MEME) Act	SEC. 3. Prohibited financial transactions. ... "(2) PROHIBITED FINANCIAL TRANSACTION.— ... "(B) COVERED ASSET.—The term 'covered asset' means— "(iv) <i>a digital asset which can be sold for remuneration, including a cryptocurrency, a meme coin, a token, or a non-fungible token</i>

Bill or Resolution	Mentions of Digital Assets
<p>H.R. 3573 Stop Trading, Retention, and Unfair Market Payoffs in Crypto Act of 2025 ("Stop TRUMP in Crypto Act of 2025")</p>	<p>SEC. 2. Prohibition on covered individuals in connection with digital assets.</p> <p>(a) In general.—A covered individual may not—</p> <p>(1) own a proportion of a digital asset that would allow the individual to unilaterally make changes to the digital asset;</p> <p>(2) serve as an officer, director, or owner of a digital asset issuer;</p> <p>(3) issue, sponsor, promote, or receive any direct or indirect compensation, including fees, for the sale, marketing, or mining of any digital asset in the United States or to a United States person; or</p> <p>(4) trade digital assets while in office, if the covered individual has material non-public information about digital assets.</p> <p>(b) Prohibition on certain companies acting on behalf of a covered individual.—An issuer required to file reports with the Securities and Exchange Commission under section 13 of the Securities Exchange Act of 1934 may not issue or sell, or otherwise transact with respect to, a digital asset on behalf of a covered individual.</p> <p>...</p> <p>SEC. 4. Definitions.</p> <p>...</p> <p>(2) DIGITAL ASSET.—The term "digital asset" means any digital representation of value which is recorded on a cryptographically-secured distributed ledger, including a stablecoin, a memecoin, and any financial contract or product or instrument that derives its value from a digital asset, including—</p> <p>(A) futures, options, or swaps referencing a digital asset;</p> <p>(B) any security or trust whose primary assets or benchmark are digital assets;</p> <p>(C) yield-bearing digital asset products including staking, lending, or decentralized finance protocols;</p> <p>(D) non-fungible tokens; and</p> <p>(E) decentralized autonomous organization tokens</p>
<p>H.R. 3779 STOCK Act 2.0, §5</p>	<p>SEC. 5. Banning conflicted interests.</p> <p>...</p> <p>"(2) COVERED FINANCIAL INTEREST.—</p> <p>"(A) IN GENERAL.—The term 'covered financial interest' means—</p> <p>...</p> <p>"(IV) cryptocurrency, such as a coin or token—</p> <p>"(aa) received in connection with an initial coin offering; or</p> <p>"(bb) issued or distributed using distributed ledger or blockchain technology</p>
<p>H.R. 3849/S. 1803 Stop Trading Assets Benefitting Lawmakers' Earnings while Governing Exotic and Novel Investments in the United States (STABLE GENIUS) Act</p>	<p>SEC. 2. Prohibited financial transactions.</p> <p>...</p> <p>(a) Definitions.—In this section:</p> <p>...</p> <p>(3) COVERED INVESTMENT.—The term "covered investment" means any digital asset.</p> <p>(4) DIGITAL ASSET.—The term "digital asset" means any digital representation of value that is recorded on a cryptographically secured distributed ledger or any similar technology.</p>

Bill or Resolution	Mentions of Digital Assets
S. 1668 End Crypto Corruption Act of 2025	<p>SEC. 2. Prohibited financial transactions.</p> <p>...</p> <p>(5) PROHIBITED FINANCIAL TRANSACTION.—</p> <p>“(A) IN GENERAL.—The term ‘prohibited financial transaction’ means—</p> <p>“(i) any issuance, sponsorship, or endorsement of a cryptocurrency, meme coin, token, non-fungible token, stablecoin, or other digital asset that is sold for remuneration;</p>
S. 2143 Curbing Officials' Income and Nondisclosure (COIN) Act	<p>SEC. 2. Prohibited financial transactions.</p> <p>...</p> <p>“(4) PROHIBITED FINANCIAL TRANSACTION.—</p> <p>“(A) IN GENERAL.—The term ‘prohibited financial transaction’ means—</p> <p>“(i) any issuance, sponsorship, or endorsement of—</p> <p>...</p> <p>“(IV) a cryptocurrency, meme coin, token, non-fungible token, or other digital asset that is sold for remuneration; or</p> <p>“(V) a payment stablecoin;</p> <p>SEC. 3. Criminal penalties relating to prohibited financial transactions.</p> <p>“(a) Definitions.—In this section:</p> <p>...</p> <p>“(3) PROHIBITED FINANCIAL TRANSACTION.—</p> <p>...</p> <p>“(IV) a cryptocurrency, meme coin, token, non-fungible token, or other digital asset that is sold for remuneration; or</p> <p>“(V) a payment stablecoin</p> <p>SEC. 4. Ethics requirements relating to cryptocurrencies and digital assets.</p> <p>“(a) Disclosure relating to cryptocurrencies and digital assets.—Section 13104 of title 5, United States Code, is amended—</p> <p>(1) in subsection (a)—</p> <p>(A) in paragraph (5)(B), by inserting “cryptocurrencies, meme coins, tokens, non-fungible tokens, payment stablecoins, or other digital assets that are sold for remuneration,” after “commodities futures.”; and</p> <p>(B) by adding at the end the following:</p> <p>“(9) CRYPTOCURRENCIES AND DIGITAL ASSETS.—The identity and category of value of any cryptocurrency, meme coin, token, non-fungible token, payment stablecoin, or other digital asset that is sold for remuneration that has a fair market value that exceeds \$1,000 as of the close of the preceding calendar year held by the reporting individual during the preceding calendar year.”;</p> <p>...</p> <p>(b) Acts affecting a personal financial interest.—Section 208 of title 18, United States Code, is amended by adding at the end the following:</p> <p>“(e) For purposes of subsection (a), the term ‘financial interest’ includes an interest in the issuance, purchase, sale, or holding of a cryptocurrency, meme coin, token, non-fungible token, payment stablecoin, or other digital asset that is sold for remuneration.”</p>

Bill or Resolution	Mentions of Digital Assets
S. 2877 No Stock Act	SEC. 2. Banning conflicted interests. ... “(2) COVERED FINANCIAL INTEREST.— “(A) IN GENERAL.—The term ‘covered financial interest’ means— ... “(IV) a cryptocurrency, meme coin, token, non-fungible token, or other digital asset that is sold for remuneration

**Source:** CRS analysis of legislation on Congress.gov through November 18, 2025.

**Notes:** All language included in the right-hand column of **Table 3** for each bill is quoted from the bill text. The inclusion of quotation marks indicates that quotation marks were included in that section of the bill. *Emphasis added* for each reference of a digital asset.

Not included in **Table 3** is H.Res. 849, which would express support for legislation to “prohibit the issuance, sponsoring, or endorsing of digital assets (including cryptocurrency, memecoins, stablecoins, tokens, nonfungible tokens [NFTs], digital trading cards, and decentralized finance platforms) by ..., Members of Congress, candidates for public office, elected public officials, high-ranking executive branch employees and special government employees, and the immediate family members of each of these; and ...require the President, Vice President, Members of Congress, candidates for public office, elected public officials, and the immediate family members of each of these to place any digital assets they hold in a qualified blind trust inaccessible during their candidacy, public service, and 2 years after an individual’s service.”

- a. Not included in the analysis is legislation that proposed to amend the Securities and Exchange Act of 1934 to address the use of “material, nonpublic information related to a restricted digital asset that is derived from ... [an] individual’s position as a Member of Congress, employee of Congress, or as an employee or agent of a department or agency of the Federal Government or gained from the performance of such individual’s official responsibilities” (H.R. 4763 (118<sup>th</sup> Congress, §109).
- b. As introduced, S. 1498, the Preventing Elected Leaders from Owning Securities and Investments (PELOSI) Act, was identical to H.R. 3388. Neither S. 1498 or H.R. 3388, as introduced, appear to include digital assets as covered investments. On December 10, 2025, the Senate Homeland Security and Governmental Affairs Committee reported S. 1498 as the “Halting Ownership and Non-Ethical Stock Transitions (HONEST) Act,” with an amendment in the nature of a substitute. For a summary of S. 1498, as introduced, see H.R. 3388, as introduced. For text of the amendment as ordered to be reported, see <https://www.hsgac.senate.gov/library/files/189492>.

*a. For example, how would cryptocurrencies and other digital assets be covered by the Restore Trust in Congress Act, and are there digital assets that may not be captured by the legislation’s covered securities?*

As introduced the Restore Trust in Congress Act (H.R. 5106) does not appear to specifically address cryptocurrencies and other digital assets. As written, H.R. 5106 would likely not capture digital assets that are not also otherwise classified as included assets in the definitions section of the bill.<sup>11</sup>

<sup>11</sup> Classification of cryptocurrencies/digital assets remains unsettled. Under some interpretations, certain cryptocurrencies may be considered securities, commodities, or futures that would be covered by the bill. Historically, some market regulators and federal courts have treated certain cryptocurrencies as commodities or as securities. In addition, futures and other options in cryptocurrencies and digital assets can be purchased and traded. For more information on cryptocurrency, see CRS In Focus IF12405, *Introduction to Cryptocurrency*, by Paul Tierno. Paul Tierno, analyst in financial economics, provided the answers to this question.

*b. Generally speaking, are there definitional gaps, or other omissions among the pieces of legislation, that would allow covered individuals to continue to trade certain cryptocurrencies or digital assets?*

The legislation listed in **Table 3** generally proposes to limit the ability to transact digital currency for covered officials. Other introduced measures do not appear to include investment in cryptocurrency or digital assets as covered assets or transactions under proposed trading prohibitions.<sup>12</sup> Separately, at least two bills propose to prohibit certain activities with respect to cryptocurrencies and digital assets, but do not appear to explicitly prohibit cryptocurrency and digital asset trading.<sup>13</sup>

Additionally, three other introduced measures do address certain aspects of trading digital assets. They are:

- H.R. 3573 would include certain provisions regarding Members' ownership of and trading of digital assets and participation in a digital asset's management. However, the provisions prohibiting trading digital assets in this bill appear limited to circumstances when "the covered individual has material non-public information about digital assets." The bill would presumably permit trading (but not issuing, sponsoring, promoting, etc. cryptocurrencies) when such conditions are not met.
- S. 1668 and S. 2143, would each propose a general prohibition on certain actions with regard to cryptocurrencies or other digital assets. However, according to the bills, "[t]he term 'prohibited financial transaction' does not include the mere purchase, sale, holding, or other conduct relating to financial instruments or assets routinely accessible to any member of the public."<sup>14</sup>

*c. How best can Congress ensure that the full range of digital assets are covered by any governmental securities trading prohibition?*

Congress might seek to ensure that the full range of digital assets are covered by a government securities trading and digital asset issuance prohibition by enacting legislation that explicitly prohibits covered individuals from owning, trading, or issuing cryptocurrencies and digital assets. Interpretations regarding whether (or which) digital assets constitute securities are unsettled and it is far from certain that an enforcing court or ethics official would consider cryptocurrency or digital assets to be a security, commodity, or some other covered asset absent an explicit reference. Therefore, legislation seeking as fully as possible to prohibit the trading or issuance of digital assets might perhaps include digital assets as a covered asset and the ownership, possession, trading, and/or issuance of digital assets as a covered (prohibited) transaction. Moreover, because different terms are used to address digital assets and cryptocurrencies, Congress may consider defining each such term (or declaring that various terms are synonymous) in the prohibiting legislation.<sup>15</sup>

CRS has additional expertise on digital asset issues. Please do not hesitate to reach out for additional follow up.<sup>16</sup>

<sup>12</sup> H.R. 253, H.R. 358, H.R. 396, H.R. 1756, H.R. 1908 H.Res. 491, H.R. 2624 H.R. 3001, H.R. 3182, H.R. 3388, H.R. 3635, H.R. 4036 H.R. 5106 H.R. 5827, S. 1879.

<sup>13</sup> H.R. 1712/ S. 1620.

<sup>14</sup> Paul Tierno, analyst in financial economics, provided the answers to this question.

<sup>15</sup> The term digital asset is defined in P.L. 117-58, Title VII, Sec. 80603(b)(1)(B).

<sup>16</sup> Paul Tierno, analyst in financial economics, provided the answers to this question.