

Forces and veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. WARNER (for himself and Mr. KAINE):

S. 718. A bill to modify the boundary of Petersburg National Battlefield in the Commonwealth of Virginia, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. TESTER (for himself and Mr. DAINES):

S. 719. A bill to rename the Armed Forces Reserve Center in Great Falls, Montana, the Captain John E. Moran and Captain William Wylie Galt Armed Forces Reserve Center; to the Committee on Armed Services.

By Mr. PORTMAN (for himself, Mrs. SHAHEEN, Ms. AYOTTE, Mr. BENNET, Ms. CANTWELL, Ms. COLLINS, Mr. COONS, Mr. FRANKEN, Mr. HOEVEN, Mr. MANCHIN, Ms. MURKOWSKI, Mr. WARNER, and Mr. WICKER):

S. 720. A bill to promote energy savings in residential buildings and industry, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BENNET (for himself and Ms. HEITKAMP):

S. 721. A bill to amend the Pittman-Robertson Wildlife Restoration Act to facilitate the establishment of additional or expanded public target ranges in certain States; to the Committee on Environment and Public Works.

By Mr. COONS (for himself and Mr. WICKER):

S. 722. A bill to extend the date after which interest earned on obligations held in the wildlife restoration fund may be available for apportionment; to the Committee on Environment and Public Works.

#### ADDITIONAL COSPONSORS

S. 53

At the request of Mr. VITTER, the name of the Senator from Utah (Mr. LEE) was added as a cosponsor of S. 53, a bill to amend the Internal Revenue Code of 1986 to clarify eligibility for the child tax credit.

S. 178

At the request of Mr. CORNYN, the name of the Senator from Wisconsin (Mr. JOHNSON) was added as a cosponsor of S. 178, a bill to provide justice for the victims of trafficking.

S. 298

At the request of Mr. BENNET, the name of the Senator from Wisconsin (Ms. BALDWIN) was added as a cosponsor of S. 298, a bill to amend titles XIX and XXI of the Social Security Act to provide States with the option of providing services to children with medically complex conditions under the Medicaid program and Children's Health Insurance Program through a care coordination program focused on improving health outcomes for children with medically complex conditions and lowering costs, and for other purposes.

S. 301

At the request of Mrs. FISCHER, the names of the Senator from Pennsylvania (Mr. CASEY) and the Senator from Arkansas (Mr. COTTON) were added as cosponsors of S. 301, a bill to require the Secretary of the Treasury to mint coins in commemoration of the centennial of Boys Town, and for other purposes.

S. 330

At the request of Mr. HELLER, the names of the Senator from Pennsylvania (Mr. CASEY) and the Senator from Maine (Ms. COLLINS) were added as cosponsors of S. 330, a bill to amend the Internal Revenue Code of 1986 to make permanent the special rule for contributions of qualified conservation contributions, and for other purposes.

S. 335

At the request of Mr. GRASSLEY, the names of the Senator from Nebraska (Mrs. FISCHER), the Senator from Colorado (Mr. GARDNER) and the Senator from Kansas (Mr. MORAN) were added as cosponsors of S. 335, a bill to amend the Internal Revenue Code of 1986 to improve 529 plans.

S. 358

At the request of Mrs. SHAHEEN, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 358, a bill to amend title 10, United States Code, to ensure that women members of the Armed Forces and their families have access to the contraception they need in order to promote the health and readiness of all members of the Armed Forces, and for other purposes.

S. 388

At the request of Mr. BOOKER, the name of the Senator from Oregon (Mr. MERKLEY) was added as a cosponsor of S. 388, a bill to amend the Animal Welfare Act to require humane treatment of animals by Federal Government facilities.

S. 409

At the request of Mr. BURR, the name of the Senator from Pennsylvania (Mr. TOOMEY) was added as a cosponsor of S. 409, a bill to amend the Sex Offender Registration and Notification Act to require the Secretary of Defense to inform the Attorney General of persons required to register as sex offenders.

S. 423

At the request of Mr. MORAN, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 423, a bill to amend the Gramm-Leach-Bliley Act to provide an exception to the annual written privacy notice requirement.

S. 474

At the request of Mr. TOOMEY, the name of the Senator from Kentucky (Mr. MCCONNELL) was added as a cosponsor of S. 474, a bill to require State educational agencies that receive funding under the Elementary and Secondary Education Act of 1965 to have in effect policies and procedures on background checks for school employees.

S. 488

At the request of Mr. CRAPO, the name of the Senator from North Carolina (Mr. BURR) was added as a cosponsor of S. 488, a bill to amend title XVIII of the Social Security Act to allow physician assistants, nurse practitioners, and clinical nurse specialists to supervise cardiac, intensive cardiac, and pulmonary rehabilitation programs.

S. 498

At the request of Mr. CORNYN, the name of the Senator from Alabama (Mr. SESSIONS) was added as a cosponsor of S. 498, a bill to allow reciprocity for the carrying of certain concealed firearms.

S. 505

At the request of Mr. PORTMAN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 505, a bill to amend the Internal Revenue Code of 1986 to extend the Health Coverage Tax Credit.

S. 524

At the request of Mr. WHITEHOUSE, the name of the Senator from New York (Mrs. GILLIBRAND) was added as a cosponsor of S. 524, a bill to authorize the Attorney General to award grants to address the national epidemics of prescription opioid abuse and heroin use.

S. 559

At the request of Mr. BURR, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. 559, a bill to prohibit the Secretary of Education from engaging in regulatory overreach with regard to institutional eligibility under title IV of the Higher Education Act of 1965, and for other purposes.

S. 571

At the request of Mr. INHOFE, the names of the Senator from Utah (Mr. HATCH) and the Senator from South Dakota (Mr. ROUNDS) were added as cosponsors of S. 571, a bill to amend the Pilot's Bill of Rights to facilitate appeals and to apply to other certificates issued by the Federal Aviation Administration, to require the revision of the third class medical certification regulations issued by the Federal Aviation Administration, and for other purposes.

S. 650

At the request of Mr. BLUNT, the name of the Senator from Nebraska (Mrs. FISCHER) was added as a cosponsor of S. 650, a bill to extend the positive train control system implementation deadline, and for other purposes.

S. 665

At the request of Mr. CARDIN, the names of the Senator from Minnesota (Ms. KLOBUCHAR) and the Senator from New Jersey (Mr. MENENDEZ) were added as cosponsors of S. 665, a bill to encourage, enhance, and integrate Blue Alert plans throughout the United States in order to disseminate information when a law enforcement officer is seriously injured or killed in the line of duty, is missing in connection with the officer's official duties, or an imminent and credible threat that an individual intends to cause the serious injury or death of a law enforcement officer is received, and for other purposes.

S. 667

At the request of Mr. ENZI, the names of the Senator from Alabama (Mr. SESSIONS) and the Senator from Indiana (Mr. COATS) were added as cosponsors

of S. 667, a bill to ensure that organizations with religious or moral convictions are allowed to continue to provide services for children.

S. 674

At the request of Mrs. MURRAY, the name of the Senator from Ohio (Mr. BROWN) was added as a cosponsor of S. 674, a bill to expand programs with respect to women's health.

S. 683

At the request of Mr. PAUL, the name of the Senator from Nevada (Mr. HELLER) was added as a cosponsor of S. 683, a bill to extend the principle of federalism to State drug policy, provide access to medical marijuana, and enable research into the medicinal properties of marijuana.

S. 686

At the request of Mr. GRASSLEY, the name of the Senator from Indiana (Mr. COATS) was added as a cosponsor of S. 686, a bill to amend the Internal Revenue Code of 1986 to provide a limitation on certain aliens from claiming the earned income tax credit.

S. 698

At the request of Mr. ENZI, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of S. 698, a bill to restore States' sovereign rights to enforce State and local sales and use tax laws, and for other purposes.

#### AMENDMENT NO. 271

At the request of Mr. PORTMAN, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of amendment No. 271 proposed to S. 178, a bill to provide justice for the victims of trafficking.

#### AMENDMENT NO. 279

At the request of Mr. SULLIVAN, the name of the Senator from Alaska (Ms. MURKOWSKI) was added as a cosponsor of amendment No. 279 intended to be proposed to S. 178, a bill to provide justice for the victims of trafficking.

#### AMENDMENT NO. 281

At the request of Mr. RUBIO, the name of the Senator from Maine (Ms. COLLINS) was added as a cosponsor of amendment No. 281 intended to be proposed to S. 178, a bill to provide justice for the victims of trafficking.

#### AMENDMENT NO. 284

At the request of Mr. VITTER, the name of the Senator from Georgia (Mr. PERDUE) was added as a cosponsor of amendment No. 284 proposed to S. 178, a bill to provide justice for the victims of trafficking.

### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. REED (for himself and Mr. MENENDEZ):

S. 702. A bill to strengthen the prohibitions on insider trading, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

Mr. REED. Mr. President, I am joined by Senator MENENDEZ in introducing the Stop Illegal Insider Trading Act to

finally define the offense of insider trading. The need for this legislation is long overdue because, in the absence of a statutory definition, an inconsistent and complicated body of common law has developed as the courts have used varying interpretations of anti-fraud statutes in order to decide insider trading cases.

For illustrative purposes, consider the following example. A financial analyst receives information from an insider at XYZ Corporation, which contains XYZ's earnings before this information is publicly released. This analyst then shares this inside information with his portfolio manager who subsequently trades in XYZ stock.

Based on this hypothetical, I suspect most Americans would be skeptical about someone who learned of a company's earnings before this information was publicly released and then subsequently traded on such information. Indeed, I believe most would agree that such a person was given an unfair advantage in our securities markets.

However, on December 10, 2014, the United States Court of Appeals for the Second Circuit in *United States v. Newman* decided that the portfolio managers in this case were not guilty of insider trading because as the New York Times summarized it, "prosecutors had to show that both men knew that the original source of the inside information had breached a fiduciary duty and had received a personal benefit in return."

This decision defies common sense. It should not matter whether someone, who traded on material information that was not publicly available, knew whether the source of such information breached a fiduciary duty and additionally received a personal benefit in return for sharing this inside information. Such a decision is one of many that has caused too many of our citizens to lose faith in government and our courts. Indeed, some prosecutors have noted that the Second Circuit's decision in *Newman* "might make it difficult to file charges against a parent who passes on a confidential stock tip to one of his children without receiving anything in return." This is plainly not right and contributes to a larger sense of injustice.

The greater irony, however, is that those who deal with insider trading law the most agree that something must be done to restore reason.

For example, Duke Law School Professor James D. Cox noted that "all studies of significant corporate events document that a significant portion of the market movement associated with corporate events occurs before the event is announced; for example, forty to fifty percent of the price gain associated with a merger or takeover occurs before the transaction's announcement . . . One can thus surmise not only that corporate insiders are not very good about keeping secrets, but that their tippees are delighted that they do not. That is, remote tippees are likely

both pervasive and truly are insidious. Newman pours gas onto this raging fire."

Most ironically, Judge Barrington Parker of the Second Circuit Court of Appeals who delivered the Newman opinion remarked during oral arguments, "I'm concerned the government's position on key points of the law seems to vary based depending on which judge you're talking to."

Moreover, University of North Carolina Law School Professor Thomas Lee Hazen recently stated, "no matter how narrow or broad people believe the definition of insider trading should be, virtually everyone is now in agreement that we'd be a lot better off if Congress would simply bite the bullet and define it . . . the situation is a mess. That's how you end up with cases like Newman."

This is precisely what Senator MENENDEZ and I are doing in introducing this legislation today. We are seeking to finally define the offense of insider trading with a clear and simple bright line rule. Simply put, if a person trades a security on the basis of material information that the person knows or has reason to know is not publicly available, then they have engaged in unlawful insider trading.

Under our legislation, it is irrelevant whether the trader knew of the source's fiduciary duty or whether the source derived any personal benefit. What matters is whether the trader knew or has reason to know that such trader had an unfair advantage in being given material information that was not shared with the broader public. In addition, we have taken care to ensure that those who take the time to independently develop their own information from publicly available sources can trade on this independently developed information so that publicly available information can be analyzed and interpreted without fear of liability. Lastly, because there may be situations that do not necessarily rise to the level of unlawful insider trading, we have provided the Securities and Exchange Commission with the flexibility to provide exemptions from insider trading liability as long as such exemptions are necessary or appropriate in the public interest and consistent with the protection of investors.

In short, by making it an offense for those who contribute to a securities market rigged in favor of the well connected, our legislation focuses on providing everyday investors with a fair shot at seeing some returns after investing their hard-earned savings. Incidents of insider trading, and the perceived pervasiveness of the practice, have for years served to validate the public's worst assumptions about Wall Street culture. It is time we clearly define what is appropriate under the law and take this meaningful step towards improving the integrity of our securities markets for professional traders and amateur investors alike.