

In 2011, a CBS investigation blew the lid off of one of Washington's most poorly-kept secrets: **members of Congress were routinely exploiting legal loopholes to engage in insider trading and line their own pockets** — a criminal offense for regular citizens. In the ensuing public outrage, Congress passed a law called the STOCK Act, and took a loud victory lap for supposedly putting an end to their own unscrupulous behavior.

Now that they think nobody's watching, Congress has gutted a key disclosure provision of the STOCK Act. Worse still, the House Counsel's Office, led by Speaker John Boehner's handpicked lawyer, **is actively stonewalling the first ever investigation into Congressional insider trading by claiming "immunity"** from the very law they bragged about passing just a few years earlier.

The only reason the STOCK Act passed in the first place was due to a massive public outcry. Unless there's another wave of public outrage, Congress will continue to flout the rules and make it near-impossible to enforce the laws that are already in place.

**This isn't a scandal yet, but we can make it one — will you add your name to demand that John Boehner's handpicked lawyer stops stonewalling investigators?**

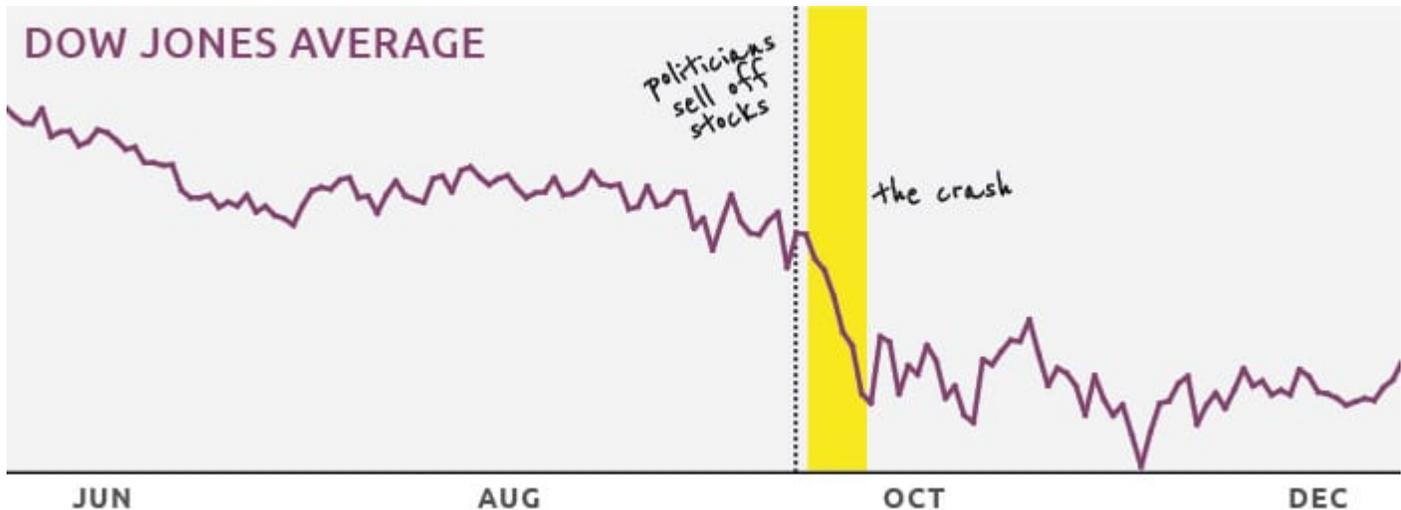
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#### Insider Trading and the Stock Market Crash

Just 12 days before the 2008 economic meltdown, several members of Congress pulled their money out of the stock market. Congress had been forewarned about the impending economic bombshell in secret meetings with the Treasury Department and the Fed, and they used that information to move their personal funds out of the market at lightning speed. Meanwhile, millions of Americans lost their homes and their life savings.

The day after the meeting with the Treasury, at least 10 senators made trades to protect their financial interests, while Americans remained in the dark. Senator Shelley Capito (R-WV) and her husband dumped between \$100,000 and \$250,000 of Citigroup stock on the 18th of November 2008 at \$83 per share. The next day Citi

stock fell to \$64 per share. Congressman Jim Moran jumped ship too, frantically trading stock in 90 different companies — his biggest trading day of the year.



Representative Spencer Bachus publicly tried to prevent the American economy from crashing — while privately betting it would. He cleverly arranged his portfolio so that if the American people lost, he would make a profit.

It's appalling. Insider trading is a criminal offense for most Americans, but these trades were 100% legal for the members of Congress who used positions as “public servants” to turn a handsome profit for themselves.



*60 Minutes' Steve Kroft*

So, Congressmen get a pass on insider trading?

*Schweizer*

They do. It's really the way the rules have been defined. And the people who make the rules are the political class in Washington and they've conveniently written them in such a way that they don't apply to themselves.

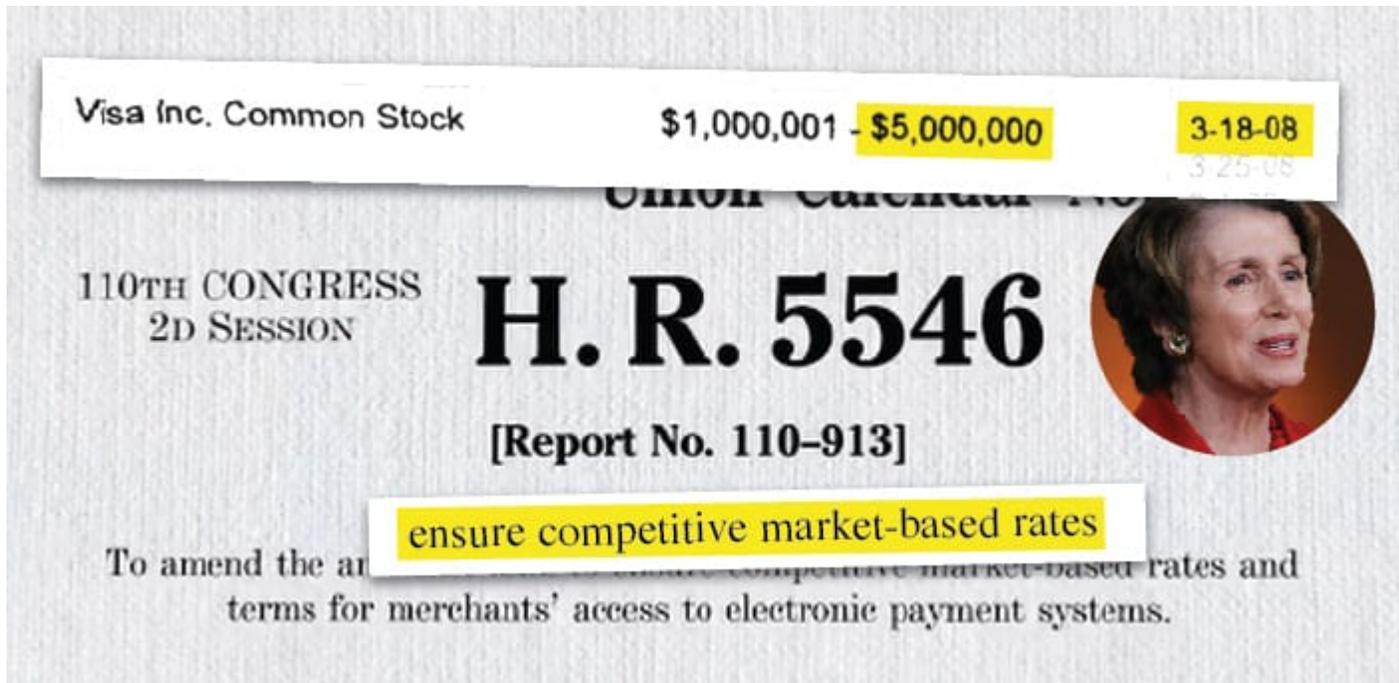


Trading stock based on classified government information isn't the only way our elected officials have made it big in the stock market. Companies give members of Congress special access to IPO stock before it's available to the public.

Just ask Nancy Pelosi. In 2008, Visa offered congresswoman Pelosi IPO stock access just as legislation, which Visa strongly opposed, arrived at the House.

Apparently fearless of a conflict of interest, Pelosi and her husband bought 5,000 shares of the stock at the rock-bottom price of \$44 per share. Two days later, the value skyrocketed to \$64 per share, and Pelosi made \$100,000 virtually overnight thanks to her Visa IPOs.

The tough new credit card legislation that Visa didn't want? Pelosi, who was Speaker of the House at the time, never allowed it to the floor for a vote.



#### Fake reform and stonewalled investigations

After an embarrassing 2011 “60 Minutes” investigation revealed our lawmakers’ affinity for insider trading, Congress passed the STOCK (“Stop Trading on Congressional Knowledge”) Act to stem the outpouring of public outrage. In theory, the STOCK Act made it clear that members of Congress and their staff have to play by the same insider trading rules as everyone else. Unfortunately, Congress has quietly returned to its old ways now that it thinks nobody is looking.

First, Congress quietly gutted a key disclosure provision of the STOCK Act — a change that President Obama signed into law despite trumpeting the original Act as a victory for transparency. The change was made as quietly as possible: according to an NPR investigation, “The whole process took only 30 seconds. There was no debate.” The White House’s official statement was just one sentence long, as issued on April 15, 2013 — the same day as the Boston Marathon bombing.



***NPR Congressional Correspondent Tamara Keith***

**When the president signed a bill reversing big pieces of the law, the emailed announcement was one sentence long. There was no fanfare when the Senate and then the House passed the bill in largely empty chambers using a fast-track procedure known as unanimous consent.**



Now, Congress is taking things a step further by actively stonewalling the first ever investigation into Congressional insider trading under the STOCK Act. Brian Sutter, a former staffer for the House Ways and Means Committee, is at the center of it all — it's alleged that in April 2013, he told a lobbyist about an imminent change to Medicare. That lobbyist then shared the information with other firms who were able to use it to trade on health insurance stocks that would be impacted.

In other words, the *exact* kind of behavior the STOCK Act was designed to prevent.

Yet, Kerry W. Kircher, Speaker John Boehner's handpicked House General Counsel, has repeatedly refused to turn over documents related to the investigation and refused to comply with subpoenas issued by the Securities and Exchange Commission, claiming members of Congress and their staff are "immune."