

# [***Republicans Sell Boeing Stock as Crisis Deepens***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BJ1-7H61-DY68-10KY-00000-00&context=1516831)

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**Highlight:** Amid the Boeing 737 MAX crisis, two Republican representatives have quietly sold their stock in the aviation company.

**Body**

While the crisis surrounding Boeing's production processes continues, two Republican Congressmen have quietly sold stocks in the aviation company.

According to stock data filed by Quiver Quantitative, Utah Republican Blake Moore and Oklahoma representative Kevin Hern both [*sold stocks*](https://www.newsweek.com/senators-purchase-bonds-markwayne-mullin-mark-warner-1871464?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) in the company in January, hot on the heels of reports about a series of safety concerns regarding its aircraft.

The Federal Aviation Administration found Boeing failed 33 of 89 safety tests, according to *the New York Times*, following an investigation ordered in January, prompted by a series of high-profile airplane incidents that also led the government agency to order a "temporary grounding of certain Boeing 737 Max 9 aircraft operated by U.S. airlines" and contributed to a steep decline in the company's stock value. Moore and Hern sold their stocks in the days and weeks that followed.

Regarding their aircraft safety, a Boeing spokesperson said in a statement provided to *Newsweek*: "Based on the FAA audit, our quality stand downs and the recent expert panel report, we continue to implement immediate changes and develop a comprehensive action plan to strengthen safety and quality, and build the confidence of our customers and their passengers. We are squarely focused on taking significant, demonstrated action with transparency at every turn."

The manufacturing processes at Boeing first came under the spotlight after a window panel of an Alaska Airlines flight traveling from Portland, Oregon, to Ontario, California, [*broke away a few minutes after takeoff*](https://www.newsweek.com/alaska-airlines-boeing-737-max-9-grounded-window-door-blows-out-mid-flight-1858333?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) on January 5. The flight returned to Portland and was able to land safely.

In response, Alaska Airlines grounded its fleet of 65 Boeing 737 MAX 9 planes while it carried out inspections and the FFA grounded [*all Boeing 737 MAX 9 planes*](https://www.newsweek.com/list-airlines-boeing-max-9-1858436?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships)with door plugs, the part of the window panel that had loose bolts on the Alaska Airlines plane, operating within the U.S. so they could undergo immediate inspections.

On January 8, three days after the incident, the company witnessed a [*$12.68 billion drop*](https://www.newsweek.com/boeing-market-cap-loss-737-max-grounding-fuselage-incident-1858752?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) in market capitalization when the stock market opened.

A day later, on January 9, Moore, who in July 2023 pushed to change federal laws to allow more nonstop flights between Washington and Utah, sold Boeing stock worth between $1,001 and $15,000.

In the days that followed, Boeing planes were involved in [*a number of other incidents.*](https://www.newsweek.com/full-list-boeing-plane-incidents-2024-1863765?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) On January 13, a Boeing 737-800 canceled its take-off after a window in the cockpit cracked.

On January 17, a possible oxygen leak on a Boeing 737 led Secretary of State [*Antony Blinken*](https://www.newsweek.com/topic/antony-blinken?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) to board a different plane from Switzerland to the U.S.

On January 19, videos posted on social media showed flames coming out of a Boeing 747-8 in Miami, Florida. The plane returned safely to Miami International Airport.

On January 20, a Boeing 757 operated by Delta Airlines lost a wheel during an attempted takeoff.

On January 31, Hern, former Aerospace engineer and pilot who in April 2023 gave [*evidence to Congress*](https://www.congress.gov/118/meeting/house/115682/witnesses/HHRG-118-PW00-Wstate-H001082-20230418.pdf) criticizing the FAA over "inconsistent guidance and burdensome certification processes" and claimed it has been "harmful" to the aviation industry, sold stock within the same value range as Hern.

*Newsweek* contacted Moore and Hern by email to comment on this story.

Speaking to *Newsweek*, Mark Shanahan, an associate professor in ***politics*** at the University of Surrey in the U.K., said the [*Republicans*](https://www.newsweek.com/topic/republicans?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) had likely sold their stock because of Boeing's "questionable" practices and processes.

"Any corporation has to demonstrate competence for the market to have confidence in it," he said. "Republicans may wish to wave the flag for an All-American business, but they're not stupid. Boeing's practices and processes appear questionable, and any sensible investor, especially one without significant funds to lose, will think twice about holding on to their stock."

It is permitted for members of [*Congress*](https://www.newsweek.com/topic/congress?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) to buy and sell stocks, but in recent years, l[*egislation has p*](https://www.newsweek.com/should-lawmakers-allowed-trade-stocks-joe-biden-leave-decision-congress-1670454?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships)laced restrictions on politician's ability to do so because of concerns about insider trading and potential conflicts of interest. The 2012 Stop Trading on Congressional Knowledge Act (STOCK Act), for instance, prohibits members of Congress and other government employees from using non-public information for private profit. It also requires the reporting of certain transactions to the secretary of the [*Senate*](https://www.newsweek.com/topic/senate?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) or the clerk of the House of Representatives within 45 days.

Congress is closely involved in the fallout from Boeing's safety issues. Dave Calhoun, Boeing's CEO, faced questions from Senators about the high-profile incidents in January.

Meanwhile, a number of politicians in Congress still have shares in Boeing, Quiver Quantitative data [*shows.*](https://www.quiverquant.com/congresstrading/stock/BA)

William F. Hall, adjunct professor of political science and business at Webster University in St. Louis, Missouri told *Newsweek* that politicians holding stocks in Boeing raise conflict of interest concerns.

"The current policies permitting members of Congress to buy and sell stocks, bonds and related securities has again called into question the fairness and equity of such a practice and raised very serious concerns about both the potential for insider trading as well as the effectiveness of measures to safeguard against unfair advantages by members of Congress, such as the STOCK ACT," he said.

"The current issues involving Boeing and the ongoing problems it is experiencing with its production operations, raising serious questions and concerns about both the quality and safety of its production operations and management, has again called into question the practice of members of Congress, whom may be involved in legislation activities to address such issues, also simultaneously being allowed to engage in trading of stocks in companies whom they may ultimately play some role in determining the outcome of such legislation.

"At the very least, this practice raises serious questions of not only for the potential for benefitting from insider trading, but also at the worst, the implications that members of Congress may be motivated for engaging in legislation, focused solely on their own interests, in some instances. The STOCK ACT, must be overhauled in order to strengthen the safeguards against unfair stock, bond and related securities trading and practices."

David O'Brien, the policy director at RepresentUS, a nonpartisan anti-corruption organization told *Newsweek* the politicians should not have owned the shares in the first place.

"This is a perfect example of why our elected officials shouldn't be allowed to trade stocks," he said.

"Americans rely on Congress to regulate and conduct oversight of major companies like Boeing. How can we trust Congress to do that properly when they're also shareholders of those same companies? Americans shouldn't have to wonder if their elected representatives are more concerned with their own portfolios than they are with public safety."

It is not the first time Hern and Moore's respective financial interests have come under scrutiny. In 2022, *The New York Times* reported that Hern and his spouse bought or sold shares in energy and health companies while he sat on energy and health-related subcommittees. At the time, a Hern spokesperson to the publication said that he does not have "any day-to-day control or management over his stock purchases or his businesses."

In the same investigation, the publication found that Moore bought shares of five companies that contract with the military while he sat on the House Armed Services Committee.

"Congressman Moore's financial firm trades commonly traded stocks on his behalf that are often included in mutual funds," which he reports in accordance with House rules, a spokesperson told the publication in a statement issued at the time.

It is also not the first time a Republican has sparked questions by selling Boeing stock. According to *the Daily Beast*, in August 2020, California representative Mike Garcia sold up to $50,000 in the company weeks before his committee released the results of an investigation into planes involved in a series of deadly crashes.

Meanwhile, the financial relationship between Boeing and legislators works both ways. Indeed, the company spends millions lobbying politicians. According to campaign finance and lobbying aggregator OpenSecrets, which cited data from the Senate Office of Public Records, the company spent $14,420,000 on air transport lobbying ventures in 2023.

Citing Federal Election Commission (FEC) data, OpenSecrets also reported that Boeing's political action committee contributed $819,000 to federal candidates in 2023, with 62 percent of this funding going to Republicans and 36 percent going to [*Democrats*](https://www.newsweek.com/topic/democrats?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships).

Meanwhile, in the latest blow to confidence in the company, John Barnett, 62, a former Boeing employee who raised concerns (which Boeing denied) over the company's production standards was [*found dead.*](https://www.newsweek.com/john-barnett-boeing-whistleblower-dead-latest-today-1878188?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships)He died on March 9, as per the Charleston County Coroner based in South Carolina. Police are still investigating the death and the coroner's office told the [*BBC*](https://www.newsweek.com/topic/bbc?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) it was from "a self-inflicted" gunshot wound.

Meanwhile, a Boeing 737 Max 8 ran off the runway in Houston, Texas, on Friday. There were no injuries and the airline operating the plane, [*United Airlines*](https://www.newsweek.com/topic/united-airlines?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), arranged for another plane to take passengers to Japan.

On Monday, 50 people were treated at the scene after what Chilean LATAM Airlines described as "a technical event during the flight which caused a strong movement" on a Boeing plane.

According to the [*BBC*](https://www.bbc.co.uk/news/topics/c40rjmqd0pgt), citing data from financial company Morningstar, Boeing's stock has declined by -22.58 percent in the last three months, from December 12 to March 12.

[*Link to Image*](https://d.newsweek.com/en/full/2360916/boeing.jpg)

**Graphic**

Boeing

Photo by DANIEL SLIM/AFP via Getty Images

An Alaska airlines Boeing 737 is taking off from Los Angeles International AirPort (LAX) in Los Angeles, California, on March 6, 2024. Amid the Boeing 737 MAX crisis, two Republican representatives have quietly sold their stock in the aviation company.

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