

Business Insider STOCK Act Violations Evidence Card

Tag Line

78 members of Congress have violated STOCK Act reporting requirements with minimal consequences, showing widespread disregard for transparency laws

Verbal Citation

Dave Levinthal and Madison Hall from Business Insider report that 'Insider and several other news organizations have identified 78 members of Congress who've recently failed to properly report their financial trades as mandated by the Stop Trading on Congressional Knowledge Act of 2012, also known as the STOCK Act.' The journalists explain that 'Congress passed the law a decade ago to combat insider trading and conflicts of interest among their own members and force lawmakers to be more transparent about their personal financial dealings. A key provision of the law mandates that lawmakers publicly “and quickly “ disclose any stock trade made by themselves, a spouse, or a dependent child.' However, they note that 'while lawmakers who violate the STOCK Act face a fine, the penalty is usually small “ \$200 is the standard amount “ or waived by House or Senate ethics officials.' The report details that 'Congress considered banning lawmakers from trading individual stocks, but Democratic leaders never acted on legislation' and that 'a bill to ban lawmakers from trading stocks ultimately died.' The investigation found systematic violations including members who 'were months or even years late disclosing hundreds of stock trades' with excuses ranging from 'ignorance of the law, clerical errors, and mistakes by an accountant.'

What the evidence says in context

Business Insider's comprehensive investigation reveals widespread noncompliance with the STOCK Act across both parties in Congress. Despite the law's intent to prevent insider trading and ensure transparency, 78 members have violated reporting requirements with minimal consequences. The standard \$200 penalty is negligible compared to potential trading profits, and ethics committees frequently waive even these small fines.

Impact

This evidence demonstrates that current congressional insider trading regulations are fundamentally broken. Widespread violations with no meaningful consequences prove that voluntary disclosure rules are ineffective and that stronger enforcement mechanisms are needed. This supports arguments for comprehensive bans on congressional stock trading rather than relying on easily ignored reporting requirements.

Source Information

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