

Congressional Stock Trading Conflicts Evidence Card

Tag Line

Lawmakers trade stocks in sectors related to their committee work and make beneficial trades during crises after receiving private briefings

Verbal Citation

Maya Kornberg from the Brennan Center for Justice reports that 'Lawmakers often have access to nonpublic information that can move financial markets, as well as the power to shape policies in sectors in which they have financial interests. This creates potential for members to personally profit off their offices when they trade individual stocks.' Kornberg highlights that 'a New York Times investigation discovered that from 2019 to 2021, 18 percent of members of Congress traded stocks in sectors related to the work of the congressional committees they sat on.' She provides specific examples, noting that 'Lawmakers on both sides of the aisle made beneficial stock trades during the early days of the Covid-19 pandemic and ahead of economic recessions after receiving briefings and early nonpublic information about the dramatic changes in the economy.' Kornberg details that 'In September 2008, Republican Rep. Spencer Bachus of Alabama, chair of the House Financial Services Committee, attended a private meeting with the treasury secretary and the chair of the Federal Reserve. The next day, he bought stocks betting that the markets would fall, and he profited when they did.' She also mentions that 'On January 24, 2020, the Senate Committee on Health held a closed-door meeting about the possible effects of the Covid-19 pandemic on the economy, and in February 2020, California Democratic Sen. Dianne Feinstein, a member of the committee, made significant stock trades shortly before financial markets took a turn for the worse when the broader public became aware of the scale of the pandemic.'

What the evidence says in context

The Brennan Center demonstrates that congressional stock trading creates significant conflicts of interest through concrete examples of lawmakers profiting from their positions. The research shows systematic problems with members trading in sectors they oversee and making timely trades during crisis situations after receiving confidential briefings. This creates both actual conflicts and the appearance of corruption.

Impact

This evidence provides specific, documented examples of congressional insider trading that justify comprehensive bans on congressional stock ownership. The fact that members systematically trade in committee-related sectors and profit from crisis briefings demonstrates that voluntary disclosure rules are insufficient. This supports arguments for mandatory divestment or complete bans on congressional stock trading.

Source Information

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