



## 2025-2026 Team Policy Camp Case Early Release

**TRUST Act** (*Insider Trading*)

By: Roman Hogancamp

***Resolved: The United States Federal Government Should Significantly Reform Congress***

## **1AC: TRUST Act**

Congressional corruption through the use of insider trading is out of control. According to Sarah Rosier, using data from 1980 to 2013...

“The average increase in net worth in the Top 20 [U.S. Senators and Representatives] was 422% a year. The average increase in net worth in the Top 40 was 240% a year”<sup>1</sup>

Despite our founders' intent, insider trading has permeated the very core of Congress, leading to corruption. Elected officials should be prioritizing policies that support the American people, not collecting insider information and amassing personal net worth. There is a clear conflict of interest, one that directly endangers American policy and the American people, and it is because my partner and I believe this trend should change that we stand **Resolved: The United States Federal Government Should Significantly Reform Congress.**

Congress recognized the problem of insider trading in 2012, passing the STOCK Act, which brings us to...

### **Definition 1: STOCK Act**

According to the STOCK Act, Public Law 112-105:

“Stop Trading on Congressional Knowledge Act of 2012 or STOCK Act - (Sec. 3) Requires the congressional ethics committees to issue interpretive guidance of the rules of each chamber, including rules on conflicts of interest and gifts, with respect to the prohibition against the use by Members of Congress and congressional employees (including legislative branch officers and employees), as a means for making a private profit, of any nonpublic information derived from their positions as Members or congressional employees, or gained from performance of the individual's official responsibilities.” (Sec. 4) Declares that such Members and employees are not exempt from the insider trading prohibitions arising under the securities laws, including the Securities Exchange Act of 1934 and Rule 10b-5.”<sup>2</sup>

[The STOCK Act further...]

“Amends the Securities Exchange Act of 1934 to declare that such Members and employees owe a duty arising from a relationship of trust and confidence to Congress, the U.S. government, and U.S. citizens with respect to material, nonpublic information derived from their positions as Members or congressional employees or gained from performance of the individual's official responsibilities.”<sup>3</sup>

“A duty arising from a relationship of trust and confidence...” Such a duty should not be taken lightly or left to be exploited by loopholes, but that is exactly what has happened, as we see in...

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<sup>1</sup> Rosier, Sarah. Latest Data from 2013 (Contributors, Ballotpedia). "Changes in Net Worth of U.S. Senators and Representatives (Personal Gain Index)." Accessed May 21, 2025. Ballotpedia.  
[https://ballotpedia.org/Changes\\_in\\_Net\\_Worth\\_of\\_U.S.\\_Senators\\_and\\_Representatives\\_\(Personal\\_Gain\\_Index\)](https://ballotpedia.org/Changes_in_Net_Worth_of_U.S._Senators_and_Representatives_(Personal_Gain_Index)).

<sup>2</sup> 112<sup>th</sup> United States Congress, April 4, 2012. “Summary: S.2038 — 112th Congress (2011-2012).” Accessed May 28, 2025.  
<https://www.congress.gov/bill/112th-congress/senate-bill/2038>

<sup>3</sup> 112<sup>th</sup> United States Congress, April 4, 2012. “Summary: S.2038 — 112th Congress (2011-2012).” Accessed May 28, 2025.  
<https://www.congress.gov/bill/112th-congress/senate-bill/2038>

## Observation 1: STOCK Act Fails

According to Insider Trading.com on April 19, 2025:

"Proving insider trading is a beast, especially for Congress. The SEC needs hard evidence of material nonpublic info tied to a trade. Politicians' info often comes from public or semi-public sources. Pinning it down is like catching smoke. Trades are traceable via STOCK Act filings. But linking them to a specific tip's brutal. Was it a briefing, a lobbyist chat, or a news leak? Good luck unraveling that. Intent's another hurdle. Prosecutors must show the politician knew the info was confidential and traded anyway. Most dodge this with "I didn't know" excuses. It's a legal fortress. Cases are rare. No member has been convicted of insider trading under the STOCK Act. The system is built to protect, not punish. They're untouchable, practically."<sup>4</sup>

Current laws do not stop insider trading—not a single congressman has been convicted of insider trading under the STOCK Act since 2012! Civic duty was designed to serve the people, not to provide a get-rich quick opportunity. That duty has been perverted—at the expense of the American people.

This brings us to our second key definition for this round...

## Definition 2: Blind Trust

According to Investopedia:

"A blind trust is a trust established by the owner (or trustor) giving another party (the trustee) full control of the trust. The trustee has full discretion over the assets and investments while being charged with managing the assets and any income generated in the trust. The trustor can terminate the trust, but otherwise exercises no control over the actions taken within the trust and receives no reports from the trustees while the blind trust is in force. Blind trusts are often established in situations when individuals want to avoid conflicts of interest between their employment and investments."<sup>5</sup>

In other words, a Blind Trust is when a person places their assets and investments into the hands of an unbiased third party—having no control over the investment of those assets. A Blind Trust is a clear and easy way for politicians to remove themselves from even the possibility of insider trading. Unfortunately, however, when we look at the current system, they aren't being used.

## Observation 2: Blind Trusts = 2%

According to Campaign Legal Center, on February 18, 2022:

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<sup>4</sup> Ian (No Last Name Given) for Insider Trading, April 19, 2025 (Ian is a New York based freelance journalist. Over the past decade, he worked for multiple finance news portals and gathered vast experience in breaking out insider trading news. Currently, he is a senior contributor at Insider-trading.org. From what he learned about insider trading scandals over the years, he specializes in documenting the backgrounds of infamous trading scandals). "Why Is Insider Trading Legal for Congress? A Legal Double Standard." Accessed May 21, 2025. Insider-Trading.org. <https://insider-trading.org/why-is-insider-trading-legal-for-congress/>

<sup>5</sup> Kenton, Will for Investopedia, July 24, 2024 (Senior Editorial Director, Investopedia). "Defining a Blind Trust, How It Works, Examples." Accessed May 21, 2025. Investopedia. <https://www.investopedia.com/terms/b/blindtrust.asp>.

"STOCK AND THE 117TH CONGRESS Based on annual financial disclosures and blind trust reports filed in 2021, out of 535 total members of Congress, 284 (53%) own stock (223 Representatives, 61 Senators). Of those, 263 own both stocks and widely held investment funds. 212 (40%) own only widely held investment funds (mutual funds, ETFs, pensions) (174 Representatives, 38 Senators). 39 (7%) do not own stock or widely held investment funds (38 Representatives, 1 Senator). 10 (2%) have a QBT [Qualified Blind Trust] (4 Representatives, 6 Senator). Of those, all also own stocks or widely held investment funds that are not held in their QBT based on the most recent publicly available disclosures."

Only 2% of U.S. Representatives and Senators even have a qualified blind trust, as outlined by the Ethics in Government Act, and of those 10 Congressmen—all of them still own assets not held within the blind trusts!

The STOCK Act has failed. Blind Trusts, while effective, are rarely used. This brings us to...

### **Observation 3: The TRUST Act**

Bear with me. I know there are a lot of acronyms with this one. Just remember—STOCK fail. TRUST Works.

According to U.S. Representative Chip Roy, who explained the TRUST Act on January 14, 2025:

"Specifically, the TRUST in Congress Act would: Require all Members of Congress, and their spouses and dependent children, to put certain investment assets into a qualified blind trust within 180 days after the enactment of this legislation. New Members of Congress, and their spouses and dependent children, would be required to place covered investments into a qualified blind trust within 90 days of assuming office. Affected individuals can remove assets from the blind trust 180 days after the Member leaves Congress. [The Act would] Require all Members to either 1) certify to the Clerk of the House of Representatives or the Secretary of the Senate that they have established a blind trust to include covered investments or 2) certify to the Clerk or the Secretary that they do not own any covered investments. The status of these certifications would be made publicly available by the Clerk of the House of Representatives and the Secretary of the Senate. Define covered investments as the following: a security, commodity, future, or any comparable economic interest acquired through synthetic means such as the use of a derivative.<sup>6</sup>

The TRUST Act clearly defines assets, requires all such assets be placed in a qualified Blind Trust, and, finally, requires reports to the Clerk of the House or the Secretary of the Senate. This bill allows for greater transparency and accountability, reducing corruption and insider trading by our elected representatives and senators. Because the TUST Act has the ability to stop this abuse of power, we would propose the following plan.

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<sup>6</sup> U.S. Representative Chip Roy (TX), January 14, 2025. “[Press Release] Rep. Roy reintroduces bill to prevent Members of Congress from trading stocks.” Accessed on May 28, 2025. <https://roy.house.gov/media/press-releases/rep-roy-reintroduces-bill-prevent-members-congress-trading-stocks>

## Plan

**Mandate:** Pass the TRUST Act

**Timeline:** Immediately upon an affirmative ballot

**Enforcement:** Congress, the Senate, the President, and any other necessary bodies

**Funding:** No funding is necessary, as this is plan is purely legislative

Civic duty was created to serve the American People. Our U.S. representatives and Senators must be held to a high standard and should not be profiting at the expense of those they were elected to serve. U.S. Representative Greg Stanton agrees, declaring on January 14<sup>th</sup> 2025:

"The Transparent Representation Upholding Service and Trust (TRUST) in Congress Act would reduce opportunities for insider trading by requiring Members of Congress, their spouses, and dependent children to either divest from individual stock holdings or move their investments into a qualified blind trust during their entire tenure in Congress. This will prevent Members of Congress from profiting off of their positions through their access to nonpublic information."<sup>7</sup>

It is for these reasons we ask for an affirmative ballot. It's time we 'TRUST' our congressmen.

**Thank you!**

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<sup>7</sup> Stanton, Greg, January 14, 2025 (U.S. Representative, Arizona's 4th Congressional District). "Stanton, Bipartisan Group of Colleagues Introduce Legislation to Ban Members of Congress from Trading Stocks." Accessed May 21, 2025. Representative Greg Stanton. <https://stanton.house.gov/2025/1/stanton-bipartisan-group-of-colleagues-introduce-legislation-to-ban-members-of-congress-from-trading-stocks>.

# **AFF Backup: TRUST Act**

## **Table of Contents**

<b>Strategy Notes.....</b>	<b>3</b>
<b>Definitions.....</b>	<b>4</b>
Definition: Blind Trust.....	4
Definition: Qualified Blind Trust.....	4
Scope: Qualified Blind Trust .....	5
Assets Held By a Qualified Trust .....	5
Types of Qualified Blind Trusts .....	6
Definition: STOCK Act.....	7
<b>Intros .....</b>	<b>8</b>
Bipartisan Support .....	8
Public Confidence Eroded .....	8
<b>Inherency .....</b>	<b>9</b>
2% Have A Blind Trust.....	9
STOCK Act Fails.....	9
Total Value of Stocks and Sale of Assets .....	10
<b>Harms.....</b>	<b>11</b>
Brink: 1 in 7 Violated STOCK Act.....	11
Brink: Conflict Violations.....	11
Impact: STOCK Act—Impossible to Enforce .....	11
Soaring Net Worth .....	12
Millions in Trades - 2025.....	14
Stock Act Fails.....	15
STOCK Act: Impossible to Enforce .....	15
STOCK Author Admits Failure .....	15
STOCK Act Penalties Waved.....	16
STOCK Act: Fails to Penalize .....	16
Late Reporting – 6.5 Years .....	16
Armstrong: Conflict of Interest.....	16
<b>Solvency .....</b>	<b>17</b>

TRUST Act .....	17
TRUST Act: Bipartisan Support.....	17
TRUST Act Requirements.....	18
TRUST Act: Stops Insider Trading .....	18
Conflict of Interest Reduced .....	19
Qualified Blind Trusts Work .....	19
QBT Must Be Approved.....	20
Must Close the Loopholes .....	20
<b>Advantages.....</b>	<b>21</b>
Level Playing Field .....	21
Benefits Everyday Americans.....	21
Stops Market Disruption.....	21
Public Confidence Restored.....	22
Prices Restored.....	22
Reduces Corruption .....	22
Integrity & Confidence Restored.....	23
<b>Full TRUST Act Bill .....</b>	<b>23</b>

## Strategy Notes

This case advocates for requiring members of Congress to place their assets into a qualified blind trust in order to address a significant loophole in the ‘Stop Trading on Congressional Knowledge’ (STOCK) Act of 2012. Despite the enactment of the STOCK Act, not a single U.S. Representative or Senator has been convicted of insider trading under this statute, indicating a critical failure in its enforcement. By mandating that members of Congress relinquish control of their assets through a qualified blind trust, this policy eliminates their ability to engage in insider trading, thereby enhancing the integrity of legislative financial conduct.

To effectively present this case, three key considerations must be addressed. First, I would recommend a thorough understanding of a Federally-qualified blind trust. A thorough understanding of how these trusts function will enable you to effectively counter the majority of disadvantages or solvency objections raised by opponents. Second, I would recommend familiarizing yourself with evidence documenting the prevalence of insider trading abuses, particularly the statistic that one in seven members of Congress has violated the STOCK Act. This compelling evidence can undermine opponents’ logic-based arguments by highlighting the extent of the problem. Finally, I would recommend establishing rapport with the judges, who are likely predisposed to view congressional corruption unfavorably. By leveraging the robust statistical evidence and presenting the policy as an obvious solution, you can build trust with the judges and alleviate concerns about potential drawbacks.

The most significant challenge to this case is the argument that the proposed policy may not fully eliminate insider trading. The response to this solvency objection is straightforward: this is a comparative advantage case. The policy does not claim to eradicate insider trading entirely but asserts that its implementation will create a more transparent and accountable system compared to the status quo. A critical question to pose to your judges is this: Would Congress function more ethically under the AFF plan? Emphasize that the policy offers a clear improvement, and avoid being constrained by arguments that demand absolute resolution of the issue, as the case does not claim to address a specific harm but rather to provide a comparative benefit.

In conclusion, success in this case depends on maintaining simplicity, mastering the key facts, and avoiding becoming entrapped by absolute harm elimination. By clearly articulating the benefits of the qualified blind trust and leveraging statistical evidence, you can present a compelling case.

Good luck and God bless!  
Roman Hogancamp

# Definitions

*A qualified blind trust meets Federal qualifications, as outlined by the Ethics in Government Act of 1978.*

## Definition: Blind Trust

Will Kenton for Investopedia, July 24, 2024 (Senior Editorial Director, Investopedia). "Defining a Blind Trust, How It Works, Examples." Accessed May 21, 2025. Investopedia.  
<https://www.investopedia.com/terms/b/blindtrust.asp>.

"A blind trust is a trust established by the owner (or trustor) giving another party (the trustee) full control of the trust. The trustee has full discretion over the assets and investments while being charged with managing the assets and any income generated in the trust. The trustor can terminate the trust, but otherwise exercises no control over the actions taken within the trust and receives no reports from the trustees while the blind trust is in force. Blind trusts are often established in situations when individuals want to avoid conflicts of interest between their employment and investments."

## Definition: Qualified Blind Trust

National Archives and Record Administration, Federal Code of Regulations, Last Amended May 21, 2025. "Title 5, Chapter XVI , Subchapter B , Part 2634 , Subpart D." Accessed May 30, 2025.  
<https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2634/subpart-D>

"The Ethics in Government Act of 1978 created two types of qualified trusts, the qualified blind trust and the qualified diversified trust, that may be used by employees to reduce real or apparent conflicts of interest. The primary purpose of an executive branch qualified trust is to confer on an independent trustee and any other designated fiduciary the sole responsibility to administer the trust and to manage trust assets without participation by, or the knowledge of, any interested party or any representative of an interested party. This responsibility includes the duty to decide when and to what extent the original assets of the trust are to be sold or disposed of, and in what investments the proceeds of sale are to be reinvested. Because the requirements set forth in the Ethics in Government Act and this part assure true "blindness," employees who have a qualified trust cannot be influenced in the performance of their official duties by their financial interests in the trust assets. Their official actions, under these circumstances, should be free from collateral attack arising out of real or apparent conflicts of interest."

## Scope: Qualified Blind Trust

National Archives and Record Administration, Federal Code of Regulations, Last Amended May 21, 2025. “Title 5, Chapter XVI , Subchapter B , Part 2634 , Subpart D.” Accessed May 30, 2025.  
<https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2634/subpart-D>

“Two characteristics of the qualified trust assure that true “blindness” exists: The independence of the trustee and the restriction on communications between the independent trustee and the interested parties. In order to serve as a trustee for an executive branch qualified trust, an entity must meet the strict requirements for independence set forth in the Ethics in Government Act and this part. Restrictions on communications also reinforce the independence of the trustee from the interested parties. During both the establishment of the trust and the administration of the trust, communications are limited to certain reports that are required by the Act and to written communications that are pre-screened by the Office of Government Ethics. No other communications, even about matters not connected to the trust, are permitted between the independent trustee and the interested parties.”

## Assets Held By a Qualified Trust

U.S. Office of Government Ethics February 2017 (The U.S. Office of Government Ethics (OGE) is an independent agency within the executive branch of the U.S. Federal Government. It is responsible for overseeing ethics laws and policies, providing guidance to the Executive Branch, and preventing conflicts of interest among federal officials.). "The Qualified Trust Program." Accessed May 21, 2025. U.S. Office of Government Ethics.  
[https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/\\$FILE/QualTrustPamphlet%20\(Feb2017\).pdf](https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/$FILE/QualTrustPamphlet%20(Feb2017).pdf).

“A qualified blind trust may hold most types of assets, such as cash, stocks, bonds, or mutual funds. It is important to note that any asset initially placed in the trust is not considered blind and continues to pose a potential conflict of interest until it has been divested or reduced to a value of less than \$1,000. The new assets purchased by the trustee will not be disclosed to you, so they will be considered blind and will not pose conflicts of interest. In contrast, a qualified diversified trust must hold a portfolio of readily marketable securities. No single asset placed in the trust may be more than 5% of the total portfolio, and no more than 20% of the portfolio may be concentrated in any particular economic or geographic sector. Additionally, unlike with the qualified blind trust, the securities of an entity that has substantial activities in your primary area of Federal responsibility cannot be put in the initial portfolio of a qualified diversified trust. By law, the assets of a qualified diversified trust certified by OGE do not pose conflicts of interest.”

## Types of Qualified Blind Trusts

U.S. Office of Government Ethics, February 2017 (The U.S. Office of Government Ethics (OGE) is an independent agency within the executive branch of the U.S. Federal Government. It is responsible for overseeing ethics laws and policies, providing guidance to the Executive Branch, and preventing conflicts of interest among federal officials.) "The Qualified Trust Program." Accessed May 21, 2025. U.S. Office of Government Ethics. [https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/\\$FILE/QualTrustPamphlet%20\(Feb2017\).pdf](https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/$FILE/QualTrustPamphlet%20(Feb2017).pdf).

### "Types of Qualified Trusts

There are two different types of qualified trusts.

One or the other may be more appropriate for your financial situation.

A qualified blind trust may hold most types of assets, such as cash, stocks, bonds, or mutual funds. It is important to note that any asset initially placed in the trust is not considered blind and continues to pose a potential conflict of interest until it has been divested or reduced to a value of less than \$1,000. The new assets purchased by the trustee will not be disclosed to you, so they will be considered blind and will not pose conflicts of interest.

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[The STOCK Act further...]

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# Intros

## Bipartisan Support

Leila Fadel, July 20, 2023 (Host, NPR's Morning Edition). "New Bill Would Fine Congress Members for Trading Stocks and Owning Blind Trusts." Accessed May 19, 2025. NPR.  
<https://www.npr.org/transcripts/1188869588>.

"Bipartisanship feels increasingly rare in Washington, so it's notable that a Senate Democrat and a Republican colleague are leading a push to stop Congress members, the president and other federal officials from holding or trading stocks in individual companies"

## Public Confidence Eroded

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"Members of Congress should not be playing the stock market while we make federal policy and have extraordinary access to confidential information," [Senator Jon] Ossoff said in a press release. "Stock trading by members of Congress massively erodes public confidence in Congress with serious appearance of impropriety, which is why we should ban stock trading by members of Congress altogether."

# Inherency

## 2% Have A Blind Trust

Campaign Legal Center. February 18, 2022. (Nonpartisan Legal Advocacy Organization) "Congressional Stock Trading by the Numbers in the 117th Congress." Accessed May 19, 2025. Campaign Legal Center. <https://campaignlegal.org/sites/default/files/2022-02/Congressional%20Stock%20Trading%20By%20The%20Numbers%20in%20the%20117th%20Congress.pdf>.

"STOCK AND THE 117TH CONGRESS

Based on annual financial disclosures and blind trust reports filed in 2021, out of 535 total members of Congress,

- 284 (53%) own stock (223 Representatives, 61 Senators). Of those, 263 own both stocks and widely held investment funds.
- 212 (40%) own only widely held investment funds (mutual funds, ETFs, pensions) (174 Representatives, 38 Senators).
- 39 (7%) do not own stock or widely held investment funds (38 Representatives, 1 Senator).
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## STOCK Act Fails

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"Proving insider trading is a beast, especially for Congress. The SEC needs hard evidence of material nonpublic info tied to a trade. Politicians' info often comes from public or semi-public sources. Pinning it down is like catching smoke. Trades are traceable via STOCK Act filings. But linking them to a specific tip's brutal. Was it a briefing, a lobbyist chat, or a news leak? Good luck unraveling that. Intent's another hurdle. Prosecutors must show the politician knew the info was confidential and traded anyway. Most dodge this with "I didn't know" excuses. It's a legal fortress. Cases are rare. No member has been convicted of insider trading under the STOCK Act. The system is built to protect, not punish. They're untouchable, practically."

## Total Value of Stocks and Sale of Assets

Campaign Legal Center. February 18, 2022. (Nonpartisan Legal Advocacy Organization)

"Congressional Stock Trading by the Numbers in the 117th Congress." Accessed May 19, 2025.

Campaign Legal Center. <https://campaignlegal.org/sites/default/files/2022-02/Congressional%20Stock%20Trading%20By%20The%20Numbers%20in%20the%20117th%20Congress.pdf>.

"Total value: \$631 million

Bought: \$267 million

Sold: \$364 million"

## Harms

### Brink: 1 in 7 Violated STOCK Act

Leila Fadel, July 20, 2023 (Host, NPR's Morning Edition). "New Bill Would Fine Congress Members for Trading Stocks and Owning Blind Trusts." Accessed May 19, 2025. NPR. <https://www.npr.org/transcripts/1188869588>.

"But, over the last 10 years, we found that there may well be a problem because 1 in 7 members of Congress - in the 117th Congress who violated the STOCK Act because they improperly reported their stock trades - and 97 members of Congress or their spouses or dependents traded in companies that were affected by their committees from 2019 to 2021."

### Brink: Conflict Violations

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"At least 62 members of 118th Congress have violated a federal insider trading and conflicts-of-interest law, a Raw Story analysis of congressional financial disclosures reveals."

### Impact: STOCK Act—Impossible to Enforce

Ian (No Last Name Given) Insider Trading, April 19, 2025 (Ian is a New York based freelance journalist. Over the past decade, he worked for multiple finance news portals and gathered vast experience in breaking out insider trading news. Currently, he is a senior contributor at Insider-trading.org. From what he learned about insider trading scandals over the years, he specializes in documenting the backgrounds of infamous trading scandals). "Why Is Insider Trading Legal for Congress? A Legal Double Standard." Accessed May 21, 2025. Insider-Trading.org. <https://insider-trading.org/why-is-insider-trading-legal-for-congress/>

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Intent's another hurdle. Prosecutors must show the politician knew the info was confidential and traded anyway. Most dodge this with "I didn't know" excuses. It's a legal fortress.

Cases are rare. No member has been convicted of insider trading under the STOCK Act. The system is built to protect, not punish. They're untouchable, practically."

## Soaring Net Worth

Sarah Rosier, Latest Data from 2013, (Contributors, Ballotpedia). "Changes in Net Worth of U.S. Senators and Representatives (Personal Gain Index)." Accessed May 21, 2025. Ballotpedia.  
[https://ballotpedia.org/Changes\\_in\\_Net\\_Worth\\_of\\_U.S.\\_Senators\\_and\\_Representatives\\_\(Personal\\_Gain\\_Index\)](https://ballotpedia.org/Changes_in_Net_Worth_of_U.S._Senators_and_Representatives_(Personal_Gain_Index)).

[The Article entitled, "Changes in Net Worth of U.S. Senators and Representatives (Personal Gain Index)" includes a list of Congressmen and the increase in average net worth. According to the information...]

"Top 20: The average increase in net worth in the Top 20 was 422% a year, excluding Chellie Pingree."

[and...]

"Top 21-40: The average increase in net worth in the Top 40 was 240% a year; for those in spots 21-40, it was 68%."

Name	Year elected	Increase in average net worth in dollars	Annual % increase (rounded) <sup>[25]</sup>
<b>Top 20:</b> The average increase in net worth in the Top 20 was <b>422%</b> a year, excluding <a href="#">Chellie Pingree</a> .			
<a href="#">Chellie Pingree</a> (D-ME) <sup>[26]</sup>	2008	\$40,450,969	73,039%
<a href="#">Pedro Pierluisi</a> (D-PR)	2008	\$2,657,074	1,707%
<a href="#">Patrick Murphy</a> (D-FL)	2012	\$2,979,329	1,449%
<a href="#">Marc Veasey</a> (D-TX)	2012	\$208,078	994%
<a href="#">Jeff Denham</a> (R-CA)	2010	\$14,950,520	661%
<a href="#">Judy Chu</a> (D-CA)	2009	\$2,114,405	539%
<a href="#">Luis V. Gutierrez</a> (D-IL)	1992	\$2,406,313	521%
<a href="#">Jerry McNerney</a> (D-CA)	2006	\$365,779	335%
<a href="#">Trey Gowdy</a> (R-SC)	2010	\$178,596	278%
<a href="#">Adam Kinzinger</a> (R-IL)	2010	\$162,818	211%
<a href="#">Ted Poe</a> (R-TX)	2004	\$413,795	161%
<a href="#">Mike Pence</a> (R-IN) <sup>[27]</sup>	2000	\$195,707	155%

Name	Year elected	Increase in average net worth in dollars	Annual % increase (rounded) <sup>[25]</sup>
<a href="#">Roy Blunt</a> (R-MO)	1996-2008, 2010	\$3,188,966	147%
<a href="#">Loretta Sanchez</a> (D-CA)	1996	\$2,752,664	144%
<a href="#">Saxby Chambliss</a> (R-GA)	2002	\$224,056	144%
<a href="#">Susan Collins</a> (R-ME)	1996	\$2,635,243	138%
<a href="#">Rob Wittman</a> (R-VA)	2006	\$704,340	117%
<a href="#">Cathy McMorris Rodgers</a> (R-WA)	2004	\$1,189,060	115%
<a href="#">Eddie Bernice Johnson</a> (D-TX)	1992	\$686,995	109%
<a href="#">C. W. Bill Young</a> (R-FL) <sup>[28]</sup>	1970	\$366,275	93%
<b>Total by party (1-20)</b>			<b>11 of the Top 20 are Republicans. 9 are Democrats.</b>
<b>Top 21-40:</b> The average increase in net worth in the Top 40 was 240% a year; for those in spots 21-40, it was 68%. <sup>[24]</sup>			
<a href="#">Frank Pallone Jr.</a> (D-NJ)	1992	\$3,864,650	87%
<a href="#">Steven Palazzo</a> (R-MS)	2010	\$804,060	84%
<a href="#">Ted Cruz</a> (R-TX)	2012	\$1,399,128	83%
<a href="#">Kerry Bentivolio</a> (R-MI)	2012	\$291,139	80%
<a href="#">Collin Peterson</a> (D-MN)	1990	\$1,380,192	78%
<a href="#">Martha Roby</a> (R-AL)	2010	\$661,156	77%
<a href="#">Martin Heinrich</a> (D-NM)	2012	\$135,563	77%
<a href="#">Steve Daines</a> (R-MT)	2012	\$10,532,917	76%
<a href="#">Jeff Landry</a> (R-LA)	2010	\$5,786,600	73%
<a href="#">Cory Gardner</a> (R-CO)	2010	\$89,730	71%

Name	Year elected	Increase in average net worth in dollars	Annual % increase (rounded) <sup>[25]</sup>
<a href="#">Mitch McConnell</a> (R-KY)	1984	\$19,106,612	64%
<a href="#">David Scott</a> (D-GA)	2002	\$627,632	60%
<a href="#">Robert Pittenger</a> (R-NC)	2012	\$20,513,031	60%
<a href="#">Sam Graves</a> (R-MO)	2000	\$2,935,098	58%
<a href="#">Tom Harkin</a> (D-IA)	1984	\$14,821,804	58%
<a href="#">James P. McGovern</a> (D-MA)	1996	\$2,629,891	57%
<a href="#">Eni F. H. Faleomavaega</a> (D-AS)	1988	\$416,914	56%
<a href="#">Randy Forbes</a> (R-VA)	2001	\$2,343,406	55%
<a href="#">Tony Cardenas</a> (D-CA)	2012	\$104,570	54%
<a href="#">Chip Cravaack</a> (R-MN)	2010	\$1,208,094	53%

## Millions in Trades - 2025

[Mia Cathell, May 20, 2025](#) (Reporter, Washington Examiner). "Congressional Stock Trading Back in the Spotlight." Accessed May 21, 2025. Washington Examiner.

[https://www.washingtonexaminer.com/news/senate/3415558/congressional-stock-trading-ban-back-in-the-spotlight/.:contentReference\[oaicite:2\]{index=2}](https://www.washingtonexaminer.com/news/senate/3415558/congressional-stock-trading-ban-back-in-the-spotlight/.:contentReference[oaicite:2]{index=2})

["According to congressional trading data compiled by Quiver Quantitative, the five most active traders in Congress last year were Reps. Josh Gottheimer \(D-NJ\), with 526 trades and at least \\$91 million in trade volume; Nancy Pelosi \(D-CA\), with 17 trades of \\$37.75 million; Scott Franklin \(R-FL\), with 69 trades of \\$6 million; Tommy Tuberville \(R-AL\), with 202 trades of \\$5.5 million; and Markwayne Mullin \(R-OK\), with 71 trades of \\$4.4 million."](#)

## Stock Act Fails

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"The most significant violator clocked in as much as six-and-a-half years late when reporting up to \$8.5 million in stock transactions — Rep. Rick Allen (R-GA). Another lawmaker was just a couple days late but still logged up to \$165,000 in late stock disclosures — Rep. John Curtis (R-UT). Between them are numerous other Republicans and Democrats alike who have consistently failed to abide by the STOCK Act."

## STOCK Act: Impossible to Enforce

Ian (No Last Name Given) Insider Trading, April 19, 2025 (Ian is a New York based freelance journalist. Over the past decade, he worked for multiple finance news portals and gathered vast experience in breaking out insider trading news. Currently, he is a senior contributor at Insider-trading.org. From what he learned about insider trading scandals over the years, he specializes in documenting the backgrounds of infamous trading scandals). "Why Is Insider Trading Legal for Congress? A Legal Double Standard." Accessed May 21, 2025. Insider-Trading.org. <https://insider-trading.org/why-is-insider-trading-legal-for-congress/>

"Proving insider trading is a beast, especially for Congress. The SEC needs hard evidence of material nonpublic info tied to a trade. Politicians' info often comes from public or semi-public sources. Pinning it down is like catching smoke.

Trades are traceable via STOCK Act filings. But linking them to a specific tip's brutal. Was it a briefing, a lobbyist chat, or a news leak? Good luck unraveling that.

Intent's another hurdle. Prosecutors must show the politician knew the info was confidential and traded anyway. Most dodge this with "I didn't know" excuses. It's a legal fortress.

Cases are rare. No member has been convicted of insider trading under the STOCK Act. The system is built to protect, not punish. They're untouchable, practically."

## STOCK Author Admits Failure

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"In an exclusive interview with Raw Story, one of the STOCK Act's original authors, former Rep. Brian Baird (D-WA), blasted Congress for its continued excuses for failing to abide by the law. 'I mean, come on. 'The dog ate my homework,' aren't we a little more grown up than that?' Baird said. 'If we're capable of voting on whether or not to raise or lower taxes or send people to war, I think we can report when we make an investment.'

## STOCK Act Penalties Waved

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"The standard fine for violating the STOCK Act is \$200, but frequently the House Committee on Ethics and the Senate Select Committee on Ethics waive the fee."

## STOCK Act: Fails to Penalize

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"Craig Holman, a Capitol Hill lobbyist on ethics and campaign finance rules for nonprofit Public Citizen, said the fee is one of two reasons why the STOCK Act is frequently violated. "The penalty is so minimal that these millionaire members of Congress really don't care about it," Holman told Raw Story. "The second provision is the ethics committees are not really enforcing it or taking it seriously."

## Late Reporting – 6.5 Years

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"Rep. Rick Allen (R-GA) was as much as six-and-a-half years late in reporting 136 stock and other financial transactions totaling up to \$8.56 million. (Source: U.S. House of Representatives)"

## Armstrong: Conflict of Interest

Alexandria Jacobson, June 5, 2025 (Alexandria Jacobson is an investigative reporter at Raw Story, focusing on money in politics, government accountability and electoral politics). "43 Members of Congress Violated Stock Law." Accessed May 19, 2025. Raw Story. <https://www.rawstory.com/congress-stock/>.

"Roll Call reported in 2019 that Armstrong [(R-ND)] earned at least \$400,000 from the [oil] wells and as much as \$1.1 million the previous year, along with a \$75,000 salary from Armstrong Corp., his family's oil and gas business, while serving on the House Select Committee on the Climate Crisis."

# Solvency

## TRUST Act

Chip Roy, January 14, 2025 (U.S. Representative, Texas's 21st Congressional District). "Rep. Roy Reintroduces Bill to Prevent Members of Congress from Trading Stocks." Accessed May 19, 2025. Representative Chip Roy. <https://roy.house.gov/media/press-releases/rep-roy-reintroduces-bill-prevent-members-congress-trading-stocks>.

"The Transparent Representation Upholding Service and Trust (TRUST) in Congress Act would require Members of Congress, their spouses, and dependents to place certain investment assets into a qualified blind trust while serving in office. That way, Representatives and Senators cannot leverage their power as public servants to line their pockets"

## TRUST Act: Bipartisan Support

Chip Roy, January 14, 2025 (U.S. Representative, Texas's 21st Congressional District). "Rep. Roy Reintroduces Bill to Prevent Members of Congress from Trading Stocks." Accessed May 19, 2025. Representative Chip Roy. <https://roy.house.gov/media/press-releases/rep-roy-reintroduces-bill-prevent-members-congress-trading-stocks>.

"The bipartisan TRUST in Congress Act has been endorsed by many key advocacy and government accountability organizations, including the Project on Government Oversight (POGO), National Taxpayers Union, Public Citizen, Protect Democracy, Government Accountability Project, Taxpayers Protection Alliance, Issue One, Citizens for Responsibility and Ethics in Washington, and Americans for Prosperity."

## TRUST Act Requirements

Chip Roy, January 14, 2025 (U.S. Representative, Texas's 21st Congressional District). "Rep. Roy Reintroduces Bill to Prevent Members of Congress from Trading Stocks." Accessed May 19, 2025. Representative Chip Roy. <https://roy.house.gov/media/press-releases/rep-roy-reintroduces-bill-prevent-members-congress-trading-stocks>.

"Specifically, the TRUST in Congress Act would:

- Require all Members of Congress, and their spouses and dependent children, to put certain investment assets into a qualified blind trust within 180 days after the enactment of this legislation. New Members of Congress, and their spouses and dependent children, would be required to place covered investments into a qualified blind trust within 90 days of assuming office. Affected individuals can remove assets from the blind trust 180 days after the Member leaves Congress.
- Require all Members to either 1) certify to the Clerk of the House of Representatives or the Secretary of the Senate that they have established a blind trust to include covered investments or 2) certify to the Clerk or the Secretary that they do not own any covered investments. The status of these certifications would be made publicly available by the Clerk of the House of Representatives and the Secretary of the Senate.
- Define covered investments as the following: a security, commodity, future, or any comparable economic interest acquired through synthetic means such as the use of a derivative.
- Clarify that the following do not qualify as covered investments for the purpose of this bill: a widely held investment fund (such as a mutual fund) or a U.S. Treasury bill, note, or bond. These investments would not have to be placed in a blind trust.

## TRUST Act: Stops Insider Trading

Greg Stanton, January 14, 2025 (U.S. Representative, Arizona's 4th Congressional District). "Stanton, Bipartisan Group of Colleagues Introduce Legislation to Ban Members of Congress from Trading Stocks." Accessed May 21, 2025. Representative Greg Stanton. <https://stanton.house.gov/2025/1/stanton-bipartisan-group-of-colleagues-introduce-legislation-to-ban-members-of-congress-from-trading-stocks>.

"The Transparent Representation Upholding Service and Trust (TRUST) in Congress Act would reduce opportunities for insider trading by requiring Members of Congress, their spouses, and dependent children to either divest from individual stock holdings or move their investments into a qualified blind trust during their entire tenure in Congress. This will prevent Members of Congress from profiting off of their positions through their access to nonpublic information."

## Conflict of Interest Reduced

National Archives and Record Administration, Federal Code of Regulations, Last Amended May 21, 2025. “Title 5, Chapter XVI , Subchapter B , Part 2634 , Subpart D.” Accessed May 30, 2025.  
<https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2634/subpart-D>

“The Ethics in Government Act of 1978 created two types of qualified trusts, the qualified blind trust and the qualified diversified trust, that may be used by employees to reduce real or apparent conflicts of interest. The primary purpose of an executive branch qualified trust is to confer on an independent trustee and any other designated fiduciary the sole responsibility to administer the trust and to manage trust assets without participation by, or the knowledge of, any interested party or any representative of an interested party. This responsibility includes the duty to decide when and to what extent the original assets of the trust are to be sold or disposed of, and in what investments the proceeds of sale are to be reinvested. Because the requirements set forth in the Ethics in Government Act and this part assure true “blindness,” employees who have a qualified trust cannot be influenced in the performance of their official duties by their financial interests in the trust assets. Their official actions, under these circumstances, should be free from collateral attack arising out of real or apparent conflicts of interest.”

## Qualified Blind Trusts Work

National Archives and Record Administration, Federal Code of Regulations, Last Amended May 21, 2025. “Title 5, Chapter XVI , Subchapter B , Part 2634 , Subpart D.” Accessed May 30, 2025.  
<https://www.ecfr.gov/current/title-5/chapter-XVI/subchapter-B/part-2634/subpart-D>

“Two characteristics of the qualified trust assure that true “blindness” exists: The independence of the trustee and the restriction on communications between the independent trustee and the interested parties. In order to serve as a trustee for an executive branch qualified trust, an entity must meet the strict requirements for independence set forth in the Ethics in Government Act and this part. Restrictions on communications also reinforce the independence of the trustee from the interested parties. During both the establishment of the trust and the administration of the trust, communications are limited to certain reports that are required by the Act and to written communications that are pre-screened by the Office of Government Ethics. No other communications, even about matters not connected to the trust, are permitted between the independent trustee and the interested parties.”

## **QBT Must Be Approved**

[U.S. Office of Government Ethics February 2017](#) (The U.S. Office of Government Ethics (OGE) is an independent agency within the executive branch of the U.S. Federal Government. It is responsible for overseeing ethics laws and policies, providing guidance to the Executive Branch, and preventing conflicts of interest among federal officials.) "The Qualified Trust Program." Accessed May 21, 2025. U.S. Office of Government Ethics. [https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/\\$FILE/QualTrustPamphlet%20\(Feb2017\).pdf](https://www.oge.gov/Web/OGE.nsf/0/F9061D7EE8934AD4852585B6005A19D4/$FILE/QualTrustPamphlet%20(Feb2017).pdf).

"Once you have decided to establish a qualified trust, you will need to find an institution to serve as independent trustee. The trustee of your trust must be completely independent and must be approved by the Director of OGE. It cannot be a current or former investment advisor.

OGE regulations require that the independent trustee be a financial institution, such as a bank or trust company. Generally, a financial institution will be considered independent if you or your family has no relationship with it other than savings, checking, or other types of deposit accounts. It cannot be affiliated with, associated with, related to, or subject to the control or influence of anyone who has a beneficial interest in the trust."

## **Must Close the Loopholes**

[Ian \(No Last Name Given\) for Insider Trading, April 19, 2025](#) (Ian is a New York based freelance journalist. Over the past decade, he worked for multiple finance news portals and gathered vast experience in breaking out insider trading news. Currently, he is a senior contributor at Insider-trading.org. From what he learned about insider trading scandals over the years, he specializes in documenting the backgrounds of infamous trading scandals). "Why Is Insider Trading Legal for Congress? A Legal Double Standard." Accessed May 21, 2025. Insider-Trading.org. <https://insider-trading.org/why-is-insider-trading-legal-for-congress/>

"Fixing this mess starts with closing loopholes. Ban Congress from trading stocks, period. Blind trusts could work, locking their money out of reach. Half-measures like the STOCK Act don't cut it. Enforcement needs teeth. Fine or jail members for late or false filings. Give the SEC power to audit their trades. Without consequences, rules are just words. Training is a must. Teach Congress what's material and off-limits. Most claim ignorance when caught. Education shuts down that excuse. Public pressure is key. Keep exposing trades on X or news outlets. Shame works when laws don't. Voters hold the real power."

# Advantages

## Level Playing Field

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"At its core, insider trading refers to the use of non-public, material information to make financial transactions in the stock market. This practice gives an unfair advantage to individuals with privileged access to confidential information, undermining the principles of fairness and equality in financial markets. Laws against insider trading aim to create a level playing field for all investors and maintain public confidence in the integrity of the market."

## Benefits Everyday Americans

Christensen, Karla. April 19, 2025. (Contributor, Verisona Law) "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"Insider trading disproportionately impacts ordinary investors who lack access to privileged information. These individuals are placed at a disadvantage, often incurring financial losses when trading unknowingly against better-informed insiders. This inequity not only harms individual investors but also discourages broader market participation, further reducing the inclusivity and fairness of the financial system."

## Stops Market Disruption

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"Insider trading fundamentally disrupts market fairness by giving individuals with access to non-public information a significant advantage over the general investing public. This creates an uneven playing field where those with privileged knowledge can make informed trading decisions while others are left to rely on publicly available information. Such an imbalance undermines the principles of fair competition, which are essential for maintaining trust in financial markets. The perception of unfairness can discourage participation, weakening the overall integrity of the market."

## Public Confidence Restored

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"The occurrence of insider trading significantly diminishes public confidence in the financial system. When investors perceive that the market is manipulated or rigged in favor of insiders, their willingness to engage diminishes. Trust is a cornerstone of healthy financial markets, and its erosion due to insider trading can lead to reduced investment activity. Over time, this lack of confidence harms not only individual markets but also the broader economy, as it undermines the foundational belief in a transparent and equitable financial system."

## Prices Restored

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"Market efficiency relies on the accurate reflection of all available information in stock prices. Insider trading distorts this principle by introducing unfair advantages that skew prices. When confidential information is exploited, stock prices may rise or fall based on insider activity rather than genuine market factors. This distortion misguides investors and hinders the market's ability to allocate resources efficiently, ultimately harming its functionality and reputation."

## Reduces Corruption

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"Allowing insider trading would open the door to widespread dishonesty, corruption, and breaches of fiduciary duty within corporations. Insiders might prioritize personal gain over ethical behavior, compromising their obligations to shareholders and stakeholders. This incentivization of unethical practices can erode corporate governance standards and lead to a culture of distrust within and beyond the organization."

## Integrity & Confidence Restored

Karla Christensen, April 19, 2025 (Contributor, Verisona Law). "Why Is Insider Trading Illegal? Laws, Ethics, and Consequences." Accessed May 21, 2025. Verisona Law. <https://verisonalaw.com/usa-news/law-usa-news/why-is-insider-trading-illegal/>.

"Insider trading raises significant concerns about the ethical standards and governance practices of the companies involved. When corporate insiders misuse confidential information for personal gain, it reflects poorly on their commitment to integrity and fiduciary responsibility. Such actions can erode trust among shareholders, employees, and other stakeholders, leading to reputational damage and diminished investor confidence. Weak corporate governance not only affects the individual organization but also undermines broader trust in the corporate sector."

## Full TRUST Act Bill

*Print the full Trust Act Bill at...*

<https://roy.house.gov/sites/evo-subsites/roy.house.gov/files/evo-media-document/TRUST%20in%20Congress%20119th.pdf>

# **NEG: TRUST Act**

## **Table of Contents**

<b>Strategy Notes.....</b>	<b>2</b>
<b>Inherency .....</b>	<b>3</b>
Another Solution: ETHICS Act .....	3
ETHICS Act.....	3
ETHICS Act Against Blind Trusts .....	4
<b>Solvency .....</b>	<b>5</b>
Logical Argument: Laws Don't Fix Evil .....	5
Logical Argument: Friends aren't Included in Blind Trust Rules .....	5
Lack of Transparency .....	5
Potential for Abuse .....	5
Limited Effectiveness .....	6
Ripe for Abuse .....	6
Conflict of Interest Remains .....	6
Link: Third Party Allows for Insider Trading.....	7
Brink: Loeffler 3 Million in Stock Earnings.....	7
Third Parties / Blind Trusts can be abused .....	8
Blind Trusts Fail: Nixon .....	8
Blind Trusts Fail: Clinton .....	8
<b>Disadvantages.....</b>	<b>9</b>
Removes Public Oversight.....	9
Autonomy Lost .....	9
High Costs.....	9
Blind Trusts: Expensive.....	10
Investments Risked .....	10
Tax Implications .....	10
Lack of Liquidity .....	11

## Strategy Notes

The AFF case proposes passing the TRUST Act, which requires all members of Congress place their investments into a qualified blind trust in order to prevent insider trading. While the AFF presents the TRUST Act as an obvious solution, its effectiveness is questionable upon closer examination.

A critical point to convey to the judge is that the AFF must identify a specific harm or problem the team's plan aims to address. As a comparative advantage case, the AFF is arguing their plan should be adopted if it results in a better future than the status quo. This argument has merit, but your objective as the negative is to pin the affirmative to a specific harm and compel the judge to evaluate whether the plan resolves it. If the AFF fails to demonstrate the plan effectively addresses the harm, a negative ballot is justified.

Despite the apparent simplicity of the affirmative's proposal, its practical effectiveness is dubious. A key argument supporting this position is that individuals intent on unethical behavior will find ways to circumvent regulations. Evidence suggests that blind trusts have been abused, such as through oversight by close family members or by sharing sensitive information with the trust's overseer. Additionally, the affirmative's own evidence highlights the corruption within congressional ethics committees, which are responsible for approving qualified blind trusts. This raises the possibility of a scenario where multiple members of Congress collude to establish blind trusts that are approved by these committees, perpetuating the same issues present in the current system.

A significant disadvantage of the AFF plan is the loss of transparency. The affirmative may argue that congressional insider trading can be monitored because financial disclosures are public. Qualified blind trusts, however, are not required to disclose their investment details. Consequently, the American public and watchdog organizations would lose the ability to track congressional financial activities, leading to a critical lack of transparency. By adopting the affirmative plan, not only does it fail to prevent unethical behavior, since those determined to act improperly will continue to do so, but it may exacerbate the problem by obscuring potentially dubious transactions.

Finally, I would recommend emphasizing the disadvantages of the AFF plan. The affirmative will frame the debate around whether their plan improves the status quo for the American people. By demonstrating that the plan introduces more problems than benefits—such as reduced transparency and persistent opportunities for abuse—you can effectively undermine their case. A robust presentation of these disadvantages will strengthen your position.

Best of luck in your advocacy!

Roman Hogancamp

# Inherency

## Another Solution: ETHICS Act

Jeff Merkley, July 24, 2024 (U.S. Senator, Oregon). "The Senate Has a New Plan to Ban Congressional Stock Trading. Here's What's in It." Accessed May 21, 2025. Senator Jeff Merkley. <https://www.merkley.senate.gov/the-senate-has-a-new-plan-to-ban-congressional-stock-trading-heres-whats-in-it/>.

"On Wednesday, a key Senate panel approved a bill that would ban lawmakers from trading stocks. The Senate Homeland Security and Government Affairs Committee approved the legislation — known as the Ending Trading and Holdings in Congressional Stocks (ETHICS) Act — by an 8-4 vote. Republican Sens. Rand Paul of Kentucky, Ron Johnson of Wisconsin, Mitt Romney of Utah, and James Lankford of Oklahoma voted against it. "The public doesn't think we should profit from having information that they don't have, and we shouldn't" Democratic Sen. Jeff Merkley of Oregon, one of the key sponsors of the bill, told reporters in his office on Tuesday. Polling has shown for years that the idea of banning lawmakers from trading stocks is broadly popular among members of both parties. Several lawmakers have even campaigned on the issue. Yet a vote on legislation to address the public's concerns has remained elusive.

Wednesday's Senate committee vote is the most significant progress on the effort in years. Here's what you should know about the bill."

## ETHICS Act

Jeff Merkley, July 24, 2024 (U.S. Senator, Oregon). "The Senate Has a New Plan to Ban Congressional Stock Trading. Here's What's in It." Accessed May 21, 2025. Senator Jeff Merkley. <https://www.merkley.senate.gov/the-senate-has-a-new-plan-to-ban-congressional-stock-trading-heres-whats-in-it/>.

"Under this bill, members of Congress — along with the President and Vice President — would be banned from purchasing stocks and cryptocurrencies beginning 90 days after the bill's signed into law. Then, on March 31, 2027 — two and a half years from now — a more complete ban takes place. Those same politicians, as well as their spouses and any dependent children, would have to sell off all of their stocks within 120 days after that. The reason for that delay is to give lawmakers, particularly those who have large stock portfolios and may not have contemplated a trading ban when they were running for office, plenty of time to comply with the rules. The bill also forbids lawmakers from buying stocks until 90 days after they've left office. The bill also comes with steep fines for politicians who break the law: Either one month's salary or 10% of the value of each stock, whichever is greater. Finally, the bill would create a searchable database of lawmakers' financial holdings more broadly, which are currently only accessible via individual online filings."

## ETHICS Act Against Blind Trusts

Jeff Merkley, July 24, 2024 (U.S. Senator, Oregon). "The Senate Has a New Plan to Ban Congressional Stock Trading. Here's What's in It." Accessed May 21, 2025. Senator Jeff Merkley. <https://www.merkley.senate.gov/the-senate-has-a-new-plan-to-ban-congressional-stock-trading-heres-whats-in-it/>.

"One key difference between this bill and previous proposals is that it doesn't allow for lawmakers to continue holding stocks via "blind trusts," which some have criticized as insufficient. "There's been a sense that they're not really blind," Merkley said. "It's just easier and more straightforward to say: If you want to serve in the Senate, serve the people, not your portfolio." There are still certain assets that lawmakers and their families could continue to hold, such as mutual funds, US Treasury bills, and municipal bonds."

## Solvency

### Logical Argument: Laws Don't Fix Evil

Think about this argument logically. If a person has decided that he is going to commit an illegal act, then it doesn't matter if there is another law in place; he will commit the illegal act.

The logical syllogism looks something like this...

- All (that which will commit a crime) are (that which don't care about laws)
- Some (People) are (that which will commit a crime)
- Thus: Some (People) are (that which don't care about laws)

### Logical Argument: Friends aren't Included in Blind Trust Rules

Logically speaking, if you wanted to take advantage of insider trading, you could tell your friend to invest in a specific stock. The friend gets a cut and the congressman still gets rich. This would be an easy loophole that could exist even if the TRUST Act was passed.

## Lack of Transparency

Fortune Staff, April 23, 2020 (Fortune's mission is to change the world by making business better. We achieve that by providing trusted information, telling great stories, and building world-class communities. We measure performance by rigorous benchmarks, and we hold companies accountable. Our goal is to make Fortune a force for good through its second century and beyond). "Why Charging Members of Congress with Insider Trading Is So Fraught." Accessed May 21, 2025. Fortune. <https://fortune.com/2020/04/23/congress-senators-insider-trading-stocks-kelly-loeffler-richard-burr-stock-act-laws-blind-trusts-mosaic-theory/>. Fortune+3

"Lack of transparency: One of the major criticisms of blind trusts is the lack of transparency. Blind trusts are designed to keep politicians' financial assets anonymous, which makes it difficult for the public to know if there is any conflict of interest. This lack of transparency can lead to suspicions of corruption and unethical behavior."

## Potential for Abuse

Fortune Staff, April 23, 2020 (Fortune's mission is to change the world by making business better. We achieve that by providing trusted information, telling great stories, and building world-class communities. We measure performance by rigorous benchmarks, and we hold companies accountable. Our goal is to make Fortune a force for good through its second century and beyond). "Why Charging Members of Congress with Insider Trading Is So Fraught." Accessed May 21, 2025. Fortune. <https://fortune.com/2020/04/23/congress-senators-insider-trading-stocks-kelly-loeffler-richard-burr-stock-act-laws-blind-trusts-mosaic-theory/>. Fortune+3

"Potential for abuse: Blind trusts can also be abused by politicians who use them to hide their wealth or to avoid paying taxes. This can lead to a lack of accountability and transparency, which is essential in a democratic society."

## Limited Effectiveness

Fortune Staff, April 23, 2020 (Fortune's mission is to change the world by making business better. We achieve that by providing trusted information, telling great stories, and building world-class communities. We measure performance by rigorous benchmarks, and we hold companies accountable. Our goal is to make Fortune a force for good through its second century and beyond). "Why Charging Members of Congress with Insider Trading Is So Fraught." Accessed May 21, 2025. Fortune. <https://fortune.com/2020/04/23/congress-senators-insider-trading-stocks-kelly-loeffler-richard-burr-stock-act-laws-blind-trusts-mosaic-theory/.Fortune+3>

"Limited effectiveness: Blind trusts may not be effective in preventing conflicts of interest. A politician may still be aware of their investments and could potentially make decisions that would benefit their personal finances. In addition, blind trusts do not prevent politicians from receiving gifts or other benefits from individuals or organizations that could influence their decision-making."

## Ripe for Abuse

Dr. Daniel Beizsley, September 16, 2020 (Contributor for Spotlight on Corruption). "Blind Trusts: Are They Enough to Avoid Conflicts of Interest?" Accessed May 21, 2025. Spotlight on Corruption. <https://www.spotlightcorruption.org/blind-trusts-are-they-enough-to-avoid-conflicts-of-interest/>.

"Under the current rules the beneficiary may still receive general updates on the trust's performance, but as has been pointed out elsewhere, policing communication between the beneficiary and the trustee is impossible and leaves the arrangement open to abuse if the trustee receives detailed investment instructions from the beneficiary. This is further strained if shares were held in a family business where it would be possible to seek and receive detailed instructions from family members."

## Conflict of Interest Remains

Dr. Daniel Beizsley, September 16, 2020 (Contributor for Spotlight on Corruption). "Blind Trusts: Are They Enough to Avoid Conflicts of Interest?" Accessed May 21, 2025. Spotlight on Corruption. <https://www.spotlightcorruption.org/blind-trusts-are-they-enough-to-avoid-conflicts-of-interest/>.

"Our latest briefing shows, however, "blind trusts are no silver bullet to prevent conflicts of interest, and in the absence of any substantial rules across parliament, can function as a transparency blackhole"

[The same article continued...]

"Beyond these specific problems there are more fundamental, structural problems with the blind trust arrangement in its current form: It's not clear that blind trusts are always truly blind especially where there is minimal turnover of the portfolio. When MPs establish blind trusts they are fully aware of the assets placed under the trustee's control. If the MP instructs a trustee to maintain the portfolio more or less in its current form, then they will retain knowledge of the contents of the blind trust."

## Link: Third Party Allows for Insider Trading

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"At the heart of the matter are stock trades executed by, or on behalf of, [Congressmen] Burr and Loeffler in the wake of private Senate briefings on the evolving threat posed by the coronavirus in late January and early February."

[The same article went on to say]

"Loeffler, meanwhile, counters that she had no knowledge of the stock trades whatsoever. "I do not make investment decisions for my portfolio," she said last month—noting that such investment decisions "are made by multiple third-party advisers without my or my husband's knowledge of involvement."

## Brink: Loeffler 3 Million in Stock Earnings

Fortune Staff, April 23, 2020 (Fortune's mission is to change the world by making business better. We achieve that by providing trusted information, telling great stories, and building world-class communities. We measure performance by rigorous benchmarks, and we hold companies accountable. Our goal is to make Fortune a force for good through its second century and beyond). "Why Charging Members of Congress with Insider Trading Is So Fraught." Accessed May 21, 2025. Fortune. <https://fortune.com/2020/04/23/congress-senators-insider-trading-stocks-kelly-loeffler-richard-burr-stock-act-laws-blind-trusts-mosaic-theory/.Fortune+3>

"Likewise, freshman Sen. Loeffler—who is the wife of New York Stock Exchange chairman Jeffrey Sprecher and the wealthiest member of Congress with an estimated net worth of \$500 million—unloaded up to \$3.1 million worth of stock in the three weeks following a Senate Health Committee briefing on Jan. 24, the Daily Beast first reported. By contrast, Loeffler did not disclose a single stock transaction between the time she took office on Jan. 6 (as the governor-appointed successor to former Georgia Sen. Johnny Isakson, who resigned due to health issues) and Jan. 23."

**IMPACT: Congressmen are earning millions—despite using ‘third-party advisers.’**

## Third Parties / Blind Trusts can be abused

Fortune Staff, April 23, 2020 (Fortune's mission is to change the world by making business better. We achieve that by providing trusted information, telling great stories, and building world-class communities. We measure performance by rigorous benchmarks, and we hold companies accountable. Our goal is to make Fortune a force for good through its second century and beyond). "Why Charging Members of Congress with Insider Trading Is So Fraught." Accessed May 21, 2025. Fortune. <https://fortune.com/2020/04/23/congress-senators-insider-trading-stocks-kelly-loeffler-richard-burr-stock-act-laws-blind-trusts-mosaic-theory/>. Fortune+3

"Other senators whose stock dealings have drawn attention in recent weeks—including Dianne Feinstein of California and James Inhofe of Oklahoma—have also claimed that their portfolios are managed by third parties and that they themselves had no knowledge of trades made on their behalf."

### **IMPACT: Third-party representation ripe for corruption.**

## Blind Trusts Fail: Nixon

FasterCapital, April 8, 2025 (FasterCapital is a global venture builder and online incubator dedicated to co-funding and co-founding innovative startups. Established in 2014, we are now #1 venture builder in terms of number of startups that we have helped, money invested and money raised). "Blind Trusts and Political Figures: Ensuring Ethical Behavior." Accessed May 21, 2025. FasterCapital. <https://fastercapital.com/content/Blind-Trusts-and-Political-Figures--Ensuring-Ethical-Behavior.html>.

"Richard Nixon's Blind Trust: In 1969, President Richard Nixon established a blind trust to manage his personal investments while in office. The trust was managed by a group of trustees who had no communication with Nixon or his family regarding their investment decisions. However, the trust was criticized for not being truly blind as Nixon's brother was one of the trustees. Additionally, the trust was not effective in preventing conflicts of interest as Nixon's investments were still tied to the oil and gas industry, which he had significant influence over as president."

## Blind Trusts Fail: Clinton

FasterCapital, April 8, 2025 (FasterCapital is a global venture builder and online incubator dedicated to co-funding and co-founding innovative startups. Established in 2014, we are now #1 venture builder in terms of number of startups that we have helped, money invested and money raised). "Blind Trusts and Political Figures: Ensuring Ethical Behavior." Accessed May 21, 2025. FasterCapital. <https://fastercapital.com/content/Blind-Trusts-and-Political-Figures--Ensuring-Ethical-Behavior.html>.

"Bill Clinton's Blind Trust: President Bill Clinton established a blind trust in 1993 to manage his personal investments while in office. The trust was managed by an independent trustee who made investment decisions without any input from Clinton or his family. However, the trust was criticized for not being truly blind as Clinton's personal financial interests were still tied to his wife's work as a lawyer and as First Lady."

## Disadvantages

### Removes Public Oversight

Dr. Daniel Beizsley, September 16, 2020 (Contributor for Spotlight on Corruption). "Blind Trusts: Are They Enough to Avoid Conflicts of Interest?" Accessed May 21, 2025. Spotlight on Corruption. <https://www.spotlightcorruption.org/blind-trusts-are-they-enough-to-avoid-conflicts-of-interest/>.

"In practice, where once this interest was declared on a public register, it is now hidden from public scrutiny in the blind trust. There is no oversight mechanism to police the barrier between the beneficiaries and trustees making investment decisions. MPs may still receive general updates on the trust's performance, but there is no monitoring mechanism in place to ensure that information-sharing does not extend to providing updates on specific financial interests."

### Autonomy Lost

John Roberts, November 28, 2024 (lead writer and main content strategist of ProsPlusCons; content focused on exploring the pros and cons of various propositions). "19 Pros and Cons of a Blind Trust." Accessed May 21, 2025. ProsPlusCons. <https://prospluscons.com/pros-and-cons-of-a-blind-trust/>.

"One of the most significant drawbacks of a blind trust is the loss of control over assets. Once the trust is established, the trustor no longer has any influence over how their assets are managed or invested. This can be unsettling for individuals who are accustomed to actively managing their finances or have specific preferences regarding investment strategies. The trustee, while acting in the best interest of the trust, may make decisions that the trustor would not personally agree with or that deviate from their preferred approach. Additionally, the inability to monitor or make adjustments to the portfolio can create a sense of detachment and uncertainty. For those who value autonomy and wish to maintain an active role in managing their wealth, the blind trust's hands-off nature may feel restrictive and frustrating."

### High Costs

John Roberts, November 28, 2024 (lead writer and main content strategist of ProsPlusCons; content focused on exploring the pros and cons of various propositions). "19 Pros and Cons of a Blind Trust." Accessed May 21, 2025. ProsPlusCons. <https://prospluscons.com/pros-and-cons-of-a-blind-trust/>.

"Maintaining a blind trust involves ongoing administrative expenses that can accumulate over time. Trustees typically charge fees for their services, which may be calculated as a percentage of the trust's total assets or a flat annual rate. In addition, legal, accounting, and financial advisory services may be required to manage the trust effectively, further increasing costs. These expenses can significantly reduce the trust's net returns, particularly for smaller trusts or those with moderate assets. For trustors focused on maximizing their financial outcomes, the cumulative costs of maintaining a blind trust may outweigh its benefits. Carefully assessing these costs before establishing the trust is essential to determine its overall feasibility."

## Blind Trusts: Expensive

Rachel Hartman for U.S. News & World Report, July 24, 2022 (Rachel Hartman began writing for U.S. News in 2018, covering topics related to personal finance and retirement. For more than a decade, she has written material related to budgeting, saving and investing. U.S. News & World Report is a multifaceted digital media company dedicated to helping consumers, business leaders and policy officials make important decisions for more than 90 years). "What Is a Blind Trust?" Accessed May 21, 2025. U.S. News & World Report. <https://money.usnews.com/money/personal-finance/family-finance/articles/what-is-a-blind-trust>.

"A blind trust is much more expensive to set up and maintain as opposed to other types of trusts," Stead says. "Independent trustees will charge a fee for their services provided to the settlor on top of the legal fees involved in hiring an experienced attorney to draft such a trust."

## Investments Risked

John Roberts, November 28, 2024 (lead writer and main content strategist of ProsPlusCons; content focused on exploring the pros and cons of various propositions). "19 Pros and Cons of a Blind Trust." Accessed May 21, 2025. ProsPlusCons. <https://prospluscons.com/pros-and-cons-of-a-blind-trust/>.

"The success of a blind trust relies heavily on the competence and integrity of the trustee. If the trustee makes poor investment decisions, engages in unethical practices, or fails to act in the best interest of the trust, the trustor may experience significant financial losses. Additionally, the trustor's lack of oversight means they cannot intervene or address potential issues until after the damage is done. While trustees are legally bound to act as fiduciaries, mistakes or misconduct can still occur. Selecting a trustworthy and experienced trustee is crucial, but even with thorough vetting, the risk of mismanagement remains a concern for many trustors."

## Tax Implications

John Roberts, November 28, 2024 (lead writer and main content strategist of ProsPlusCons; content focused on exploring the pros and cons of various propositions). "19 Pros and Cons of a Blind Trust." Accessed May 21, 2025. ProsPlusCons. <https://prospluscons.com/pros-and-cons-of-a-blind-trust/>.

"Establishing and maintaining a blind trust can have tax implications that may affect the trustor's overall financial picture. Transferring assets into the trust may trigger capital gains taxes or other transaction-related costs. Additionally, the trust's income may be subject to taxation, which could reduce the net returns for the trustor. Navigating these tax implications often requires professional assistance, such as hiring accountants or tax advisors, adding to the trust's administrative expenses. For trustors aiming to minimize their tax burden, understanding and planning for these potential costs is a critical step in the decision-making process."

## Lack of Liquidity

John Roberts, November 28, 2024 (lead writer and main content strategist of ProsPlusCons; content focused on exploring the pros and cons of various propositions). "19 Pros and Cons of a Blind Trust." Accessed May 21, 2025. ProsPlusCons. <https://prospluscons.com/pros-and-cons-of-a-blind-trust/>.

"Assets placed in a blind trust may not always be readily accessible, particularly if they are invested in long-term holdings or illiquid assets. This lack of immediate liquidity can pose challenges if the trustor faces unexpected financial needs or emergencies. While the trustee can distribute funds based on the trust's terms, this process may take time and may not align with the trustor's urgent requirements. For individuals who anticipate needing quick access to their assets, the blind trust's limited liquidity can be a significant disadvantage. Planning for potential financial contingencies is essential to avoid complications."