

November 18, 2011

RE: Support the “Stop Trading on Congressional Knowledge Act”

Dear Senator:

Our organizations – Campaign Legal Center, Citizens for Responsibility and Ethics in Washington, Common Cause, Democracy 21, Public Citizen, Sunlight Foundation and US PIRG – strongly support passage of the “Stop Trading on Congressional Knowledge Act” (STOCK Act) designed to prevent congressional insider trading, and encourage you to join as a co-sponsor and help achieve its passage through the Senate. One strong legislative proposal (S. 1871) is principally sponsored by Sens. Scott Brown (R-Mass.) and Marco Rubio (R-Fla.). Another similarly strong bill will be introduced shortly by Sen. Kirsten Gillibrand (D-NY) and others. We urge you to co-sponsor both bills.

The legislation is gaining a great deal of momentum in just the last few days, following a “60 Minutes” program on the issue and a release of a new book by Peter Schweizer that documents congressional insider trading in detail. A hearing before the Senate Committee on Homeland Security and Governmental Affairs is already being scheduled, as is another hearing before the House Financial Services Committee. The number of co-sponsors on companion legislation in the House by Reps. Tim Walz (D-Minn.) and Louise Slaughter (D-NY) has increased more than five-fold this week alone.

Under current law, “insider trading” is defined as the buying or selling of securities or commodities based on non-public information in violation of confidentiality – either to the issuing company or the source of information. Congressional officials and employees in the course of official business, it is often believed, do not owe a duty of confidentiality to these companies and thus are not liable for insider trading.

The STOCK Act provides a clear and balanced application of the laws against insider trading for both the private and public sectors and offers the important tool of disclosure for ensuring compliance with the law.

We encourage all members of the Senate to join in this bipartisan effort to apply the insider trading laws uniformly across Congress before any new scandals may arise. We urge you to join as co-sponsors.

Sincerely,

Campaign Legal Center
Citizens for Responsibility and Ethics in Washington
Common Cause
Democracy 21
Public Citizen
Sunlight Foundation
US PIRG