

# Constitutional Challenges: the STOCK Act

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# STOCK Act of 2012

**S**top

**T**rading

**O**n

**C**ongressional

**K**nowledge

Senior Executive Association  
(SEA)  
v.  
United States

# Federal Financial Disclosure

Assets

Income

Transactions

Liabilities

Gifts

Outside / Future Jobs

# Federal Financial Disclosure

Congress:

Members & senior staff

Executive branch:

28,000 employees

# Federal Financial Disclosure

Publicly available

-- but with hurdles

# Purposes of federal fin. discl.

Congress:

political accountability

Executive Branch:

legal accountability

# Federal Conflict of Interest Statute

Applies to Executive Branch

Not to Congress



60 Minutes

Insider Trading  
by  
Members of Congress

Insider Trading  
Already Illegal

SEC  
depends on  
Congress  
for its  
budget

scandal



ethics regulation

# STOCK Act of 2012

# Purpose

“**prevent**

members and employees

of Congress

from **trading** on the basis of

**nonpublic information**

acquired through such positions”

STOCK Act of 2012

Robust

Web-based

Financial Disclosure



# Controversial

- Politically

- Legally

# Concerns

- Identity theft
- Identifying spies
- Privacy

**S.E.A. v U.S.**

**Right to privacy**

Sensitive

Personal

Financial

Information

# S.E.A. v U.S.

Court temporarily enjoined statute

Injunction expired

# STOCK Act

Congress

delayed

implementation

until

December 8, 2012

Public disclosure – with hurdles

v.

Web-based disclosure

Searchable & sortable

# Purposes:

Anti-corruption (?)

Accountability:

- Legal

- Political

Transparency



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