


WSJ Investigation: Federal officials often trade stock in companies their agencies oversee

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October 16, 2022



An investigation carried out by [The Wall Street Journal](#) investigation found that a large number of officials across the government’s executive branch submitted on their trading reports that they either owned or traded stocks based on whether impending decisions would cause their price to rise or fall.

Government officials are required to report each trade to promote transparency and combat insider trading.

“The STOCK Act required a one-year study of the growing political intelligence industry and requires every Member of Congress to publicly file and disclose any financial transaction of stocks, bond, commodities futures, and other securities within 45 days on their websites.”

Over 2,600 officials at agencies from the Commerce Department to the Treasury Department, both sides of the political aisle have disclosed stock trades in companies at the same time that those companies were lobbying their agencies for favorable policies. The journal estimates that one in five government employees across fifty agencies have been culpable.

A top official at the Environmental Protection Agency disclosed trades in both oil and gas stocks. The Food and Drug Administration (FDA) failed to follow procedures and permitted an official to own a basket of food and drug stocks which were on the “no-buy list.”

A Defense Department official also bought stock in a defense company five times before it won new business from the Pentagon.

The Journal obtained and analyzed more than 31,000 financial-disclosure forms for approximately 12,000 employees operating at a senior level, political staff and presidential appointees. The review commenced in 2016 was conducted until 2021.

It also includes data on nearly 850,000 financial assets along with over 315,000 trades reported in stocks, bonds and funds by the officials, their spouses or their dependents.

Federal employees are responsible for ensuring that their investments don't create a conflict of interest with their work. This rule applies even if they hire a financial adviser.

The Journal's review of disclosures did show that a high number of federal officials informed their financial advisers to avoid certain industries or to decrease their holdings in certain stocks.