



September 22, 2021

Chairman Mike Barnes
Co-Chairman Paul Vinovich
Office of Congressional Ethics
425 3rd Street, SW Suite 1110
Washington, DC 20024

Sent via email (oce@mail.house.gov)

Dear Chairman Barnes and Co-Chairman Vinovich:

Campaign Legal Center (“CLC”) respectfully requests that the Office of Congressional Ethics (“OCE”) investigate Rep. Roger Williams for a possible violation of the STOCK Act and House rules. In 2019, Rep. Williams’ spouse appears to have sold at least three assets with a total value ranging from approximately \$3,003 to \$45,000 without properly disclosing the transactions.¹ While Rep. Williams disclosed the ownership of these assets on his annual financial disclosure, he did not file periodic transaction reports (“PTRs”) for the transactions that resulted in the changes in his stock holdings, as required pursuant to the STOCK Act and House rules. An OCE investigation is necessary to determine whether his failure to file was knowing and willful.

The STOCK Act does not excuse failing to file PTRs, yet members of Congress are avoiding scrutiny of their stock trades by not disclosing the transactions throughout the year. Instead, they disclose the ownership of assets in their annual reports without disclosing the underlying transaction at the time the transaction occurred. The harm is that this trend could quickly defeat one of the purposes of the STOCK Act, which is real time disclosure of potential conflicts of interest. If members are not held

¹ The Honorable Roger Williams, Annual Financial Disclosure Report for Filing Year 2019, Clerk of the House of Representatives (filed Aug. 13, 2020)(“2019 financial disclosure”), https://disclosures-clerk.house.gov/public_disc/financial-pdfs/2019/10037718.pdf.

accountable for failing to file PTRs, many will continue to wait until their annual financial disclosures to reveal stock trades and pay nominal late fees, thereby circumventing the STOCK Act.

When members of Congress trade individual stocks and fail to disclose those trades, they break the law and diminish the public's trust in government. The recent prevalence of STOCK Act violations in the House shows that merely the threat of a fine is not deterring members of Congress from breaking the law; real accountability is necessary. As members of Congress craft laws that directly impact the lives of all Americans, the public must be able to trust that representatives are acting in the public's interest, and not in their own financial interest.

The STOCK Act and House Rules Require Members of Congress to Timely Report All Individual Stock Transactions

The STOCK Act amended the Ethics in Government Act of 1978 (“EIGA”) to require members of Congress to report their individual stock transactions no “later than 30 days after receiving notification of any transaction required to be reported under section 102(a)(5)(B), but in no case later than 45 days after such transaction”²

House rules incorporate these reporting requirements. House Rule 26, clause 2 states, “[f]or the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be considered Rules of the House as they pertain to Members, Delegates, the Resident Commissioner, officers, and employees of the House.”³

The House Committee on Ethics trains and reminds members of Congress annually in writing of the consequences of failing to file PTRs. Specifically, the Committee on Ethics advises:

“[e]ach Member, officer, and senior staffer is responsible for the completeness and accuracy of the information contained in the individual's PTR, even if someone else prepared, or assisted in preparing, all or part of it. The EIGA provides that the Attorney General may pursue either civil or criminal penalties against an individual who knowingly and willfully falsifies a statement or fails to file a statement required by the EIGA. The maximum

² P.L. 112-105, Section 6; 5 U.S.C. App. 4 § 103(l).

³ RULES OF THE HOUSE OF REPRESENTATIVES OF THE U.S. 116TH CONG. (2019), Rule 26, cl. 2.

civil penalty is \$61,585. The maximum criminal penalty is up to one year in prison and a fine of up to \$61,585.”⁴

In addition, the Committee on Ethics advises that 18 U.S.C. § 1001 is applicable to PTRs. “That criminal statute provides for a fine of up to \$250,000 and/or imprisonment for up to five years for knowingly and willfully making any materially false, fictitious, or fraudulent statement or representation, or falsifying, concealing, or covering up a material fact, in a filing under the EIGA.”⁵

Rep. Williams Failed to File Periodic Transaction Reports for At Least Three Stock Trades in 2019

According to Rep. Williams’s annual financial disclosure for 2019, his spouse made at least three stock sales that should have been contemporaneously reported in PTRs.⁶ However, Rep. Williams neglected to timely file any PTRs in 2019, and he failed to correct the omission in the following year. The assets in question have a total value ranging from approximately \$3,003 to \$45,000.

Rep. Williams May Have Knowingly Violated the STOCK Act

The assets Rep. Williams failed to report transactions for include General Electric Company, Nvidia Corporation, and Walt Disney Company.⁷ Rep. Williams serves on the Financial Services Committee.⁸ Based on publicly available information, it is unclear whether Rep. Williams’s failure to file was an attempt to avoid scrutiny of trades connected with non-public information or with potential conflicts of interest.

Accepting Rep. Williams’ failure to file PTRs as merely an oversight requires an assumption that he was not familiar with the requirement and had not received any training. However, Rep. Williams has been in Congress

⁴ U.S. HOUSE OF REPRESENTATIVES COMM. ON ETHICS 116TH CONG., Memorandum from Committee on Ethics for All Members, Officers, and Employees Regarding Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement at 3 (June 11, 2020), https://ethics.house.gov/sites/ethics.house.gov/files/wysiwyg_uploaded/STOCK%20Act%206.1.2020%20Final.pdf.

⁵ *Id.* at 3.

⁶ Rep. Williams’s 2019 financial disclosure, *supra* note 1.

⁷ *Id.*

⁸ Rep. Roger Williams, *Committees*, <https://williams.house.gov/about/committees> (last visited Sept. 22, 2021).

since 2013, and the STOCK Act has been the law of the land for the entirety of his federal service.

Moreover, Rep. Williams would have been required to attend mandatory annual ethics training for members of Congress.⁹ This training includes discussion of financial disclosures and the STOCK Act. The Committee on Ethics does not grant extensions for completing ethics training.¹⁰ Therefore, it seems likely that Rep. Williams was aware of the requirement to report his transactions at the time they occurred.¹¹

Because Rep. Williams was almost certainly aware of the requirement to file PTRs for stock transactions, it raises the question of whether he may have knowingly avoided disclosing his stock trades at the time they were made. An OCE preliminary review can gather information to determine whether Rep. Williams knowingly violated the STOCK Act.

Conclusion

The STOCK Act requires members of Congress to file PTRs for any individual stock trades.¹² Based on the available facts, there is probable cause to believe that Rep. Williams was aware of this requirement, and his failure to timely file the transaction reports violates the STOCK Act.

CLC respectfully requests that OCE open a preliminary review to determine whether Rep. Williams nondisclosure was an intentional violation of the STOCK Act and House rules.

We acknowledge that 18 U.S.C. § 1001 applies to the information provided.

⁹ U.S. HOUSE OF REPRESENTATIVES COMM. ON ETHICS, *Training*, <https://ethics.house.gov/training>.

¹⁰ U.S. HOUSE OF REPRESENTATIVES COMM. ON ETHICS, *FAQs About Training*, <https://ethics.house.gov/legislation/schedule/faqs-about-training>.

¹¹ Rep. Williams's 2019 and 2020 financial disclosures, *supra* note 1.

¹² P.L. 112-105, *supra* note 3; see U.S. HOUSE COMM. ON ETHICS, Instruction Guide, Financial Disclosure Statements and Periodic Transaction Reports Calendar Year 2019 at 41, *available at* <https://ethics.house.gov/sites/ethics.house.gov/files/documents/CY%202019%20Instruction%20Guide%20for%20Financial%20Disclosure%20Statements%20and%20PTRs.pdf> (Stating that the relevant factor for disclosure is ownership of the stock: "In general, you must report on a PTR each purchase, sale, or exchange involving stocks, bonds, commodities futures, or other securities **owned wholly or in part by you**, your spouse, or your dependent child when the amount of the transaction exceeds \$1,000.") (emphasis added).

Sincerely,

_____/s/_____

Kedric L. Payne
General Counsel and Senior Director,
Ethics

_____/s/_____

Delaney N. Marsco
Senior Legal Counsel, Ethics

_____/s/_____

Sophia Gonsalves-Brown
Researcher