



# FACT

FOUNDATION FOR  
ACCOUNTABILITY  
AND CIVIC TRUST

September 1, 2021

Omar Ashmawy  
Chief Counsel  
Office of Congressional Ethics  
U.S. House of Representatives  
P.O. Box 895  
Washington, DC 20515-0895

Email: [oce@mail.house.gov](mailto:oce@mail.house.gov)

Dear Mr. Ashmawy,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. We request the Office of Congressional Ethics immediately investigate Massachusetts Representative Katherine Clark for violating federal law and House ethics rules.

Federal law and House ethics rules require House Members to disclose financial information to the public, including financial disclosure reports that provide a “full and complete” statement of the Member’s assets, debts, and income.<sup>1</sup> In addition to the annual report, a Member must file a periodic report any time they have a financial transaction that exceeds \$1,000, which must be filed a maximum of 45 days from the date of the transaction.<sup>2</sup> This federal law is extremely important, thus it is directly incorporated into House rules and Members are informed of the law.<sup>3</sup>

---

<sup>1</sup> 5 U.S.C. app 4 sec. 101-111 (disclosure requirements); sec. 102(a)(5) (requirement for disclosure of financial transactions over \$1,000); House Rule 26.

<sup>2</sup> *Id.*

<sup>3</sup> “For 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.” U.S. House of Reps. Rules (2019), r. 26, cl.2; see, e.g., U.S. House of Reps. Comm. on Ethics 116th Cong., Memo from Comm. 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), available at: [https://ethics.house.gov/sites/ethics.house.gov/files/wysiwyg\\_uploaded/STOCK%20Act%206.11.2020%20Final.pdf](https://ethics.house.gov/sites/ethics.house.gov/files/wysiwyg_uploaded/STOCK%20Act%206.11.2020%20Final.pdf).

Contrary to this legal requirement, it was recently reported that Representative Clark failed to publicly disclose nineteen stock transactions by her husband within 45 days as required by law.<sup>4</sup> “Among the stock trades Clark disclosed after the 45-day deadline include shares of Google parent company Alphabet Inc., Best Buy, First Solar Inc., investment management firm BlackRock Inc., pharmaceutical company GlaxoSmithKline, data and records management company Iron Mountain Inc., and water technology company Xylem Inc.”<sup>5</sup> The transactions, valued between \$19,019 and \$285,000, were made on June 4 but not disclosed until August 15, 2021.<sup>6</sup> Moreover, “[t]his is the second time this month Clark has run afoul of federal financial disclosure rules.”<sup>7</sup>

Any violation of the financial reporting requirements is serious and cannot be overlooked. The disclosure requirements are an integral part of an ethical and transparent government; accurate and timely filing is the only method for citizens to determine whether Members have conflicts of interest or are wrongfully profiting from their position.<sup>8</sup> This is a well-known requirement of our public officials which Members are well aware of and they each have a duty to affirmatively act to ensure compliance.<sup>9</sup> There is no excuse for late filings and every violation has consequences.<sup>10</sup>

In the present case, Rep. Clark has served several terms in the House and reportedly this is not her first violation. She simply did not make every effort to comply with the ethics laws—had she done so, she would have disclosed the trades in a timely manner. The OCE must act to ensure compliance with the most basic ethics requirements and maintain the public’s trust. We request the OCE investigate Clark’s stock trades and failure to file the required disclosures, and impose appropriate sanctions including fines and penalties.

---

<sup>4</sup> Dave Levinthal, *A Potential Pelosi Successor, Rep. Katherine Clark, Failed To Properly Disclose Stock Trades Worth As Much As \$285,000*, Business Insider, Aug. 20, 2021, available at: <https://markets.businessinsider.com/news/stocks/rep-katherine-clark-a-top-pelosi-ally-violated-the-stock-act-2021-8>; Katherine Clark, Periodic Transaction Report, Clerk Of The House Of Representatives, Filed Aug. 15, 2021, available at: [https://disclosures-clerk.house.gov/public\\_disc/ptr-pdfs/2021/20019340.pdf](https://disclosures-clerk.house.gov/public_disc/ptr-pdfs/2021/20019340.pdf).

<sup>5</sup> *Id.*

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*; Katherine Clark, Periodic Transaction Report, Clerk Of The House Of Representatives, Filed Aug. 4, 2021, available at [https://disclosures-clerk.house.gov/public\\_disc/ptr-pdfs/2021/20019234.pdf](https://disclosures-clerk.house.gov/public_disc/ptr-pdfs/2021/20019234.pdf).

<sup>8</sup> It is a foundational principal and embodied in numerous laws and ethics rules that Members “should not in any way use their office for private gain.” House Ethics Manual, at 1; *see also* House Ethics Manual, at 123-24 (Members cannot use official resources for any campaign or political purpose).

<sup>9</sup> The law is both well publicized and part of ethics training for Members of Congress. *See, e.g.* U.S. House of Reps. Comm. on Ethics, *Training*, <https://ethics.house.gov/training>.

<sup>10</sup> The Ethics in Government Act does not allow Members to break the law without consequence. *See, e.g.*, 5 U.S.C. app 4 sec. 104(a)(1) (providing for a civil penalty not to exceed \$50,000); sec. 104(a)(2) (making it unlawful for any person to knowingly and willfully fail to file or report any information required under section 102, with penalties of up to \$50,000 and imprisonment of not more than one year); sec. 104(d) (providing for a late filing fee of \$200); *see also* Committee on Ethics, U.S. House of Rep., available at <https://ethics.house.gov/financial-disclosure/general-information-about-financial-disclosure> (“A \$200 late filing fee shall be assessed against any individual who files more than 30 days after the due date of a report or amendment (or the due date of any extension).”).

To the best of my knowledge and ability, all evidence submitted was not obtained in violation of any law, rule, or regulation. Further, I am aware that the False Statements Act, 18 U.S.C. § 1001, applies to information submitted to the Office of Congressional Ethics.

Sincerely,

/s/ Kendra Arnold

Kendra Arnold

Executive Director

Foundation for Accountability & Civic Trust

# A Potential Pelosi Successor, Rep. Katherine Clark, Failed To Properly Disclose Stock Trades Worth As Much As \$285,000

[Business Insider](#) | [Dave Levinthal](#) | August 20, 2021  
[View Source](#)

- Clark was several weeks late in disclosing 19 of her husband's transactions.
- Clark is the US House's assistant speaker and No. 4 Democrat.
- She's a potential candidate to succeed Rep. Nancy Pelosi as speaker.

Assistant Speaker Katherine Clark of Massachusetts, the 4th highest ranking Democrat in the US House and a [potential candidate](#) to succeed Nancy Pelosi as speaker, violated the federal [STOCK Act](#) by failing to properly disclose 19 stock trades, according to an Insider review of [newly filed congressional records](#).

Taken together, the trades are worth at least \$19,019 — and as much as \$285,000.

Among the stock trades Clark disclosed after the 45-day deadline include shares of Google parent company Alphabet Inc., Best Buy, First Solar Inc., investment management firm BlackRock Inc., pharmaceutical company GlaxoSmithKline, data and records management company Iron Mountain Inc., and water technology company Xylem Inc.

Clark's untimely disclosures involve stock trades by her husband, attorney Rodney Dowell, made on June 4 and disclosed to the Clerk of the United States House of Representatives on August 15.

[\[IMAGE EMBEDDED\]](#)

By [federal law](#), members of Congress have 30 days from when they become aware of a stock trade made for themselves or their spouse — and 45 days overall from the date of a trade — to formally disclose it in a certified report to the clerk of the House of Representatives.

Each trade is valued in a range between \$1,001 and \$15,000. Lawmakers are required to report the values of their stock trades only in broad ranges.

Clark spokesperson Kathryn Alexander told Insider that the congresswoman "makes every effort to comply with disclosure requirements" and reported the late transactions as soon as she became aware of them.

Dowell and Clark "use the services of separate financial advisers, who handle the portfolios without seeking approval for individual stock trades," Alexander said, adding that neither Dowell nor Clark personally trade stocks.

"Rep. Clark has contacted both financial advisers to remind them of transaction reporting requirements and ensure that future transactions are reported on a schedule that enables compliance with all financial disclosure deadlines," Alexander said. "She is also supportive of strengthening current rules to ban individual stock trades directed by members of Congress during their tenure."

The STOCK Act holds members of Congress personally responsible for complying with disclosure rules, regardless of whether they make stock trades themselves or use a financial advisor or broker.

Clark's late reporting could prompt an ethics investigation or fine, which starts at \$200.

This is the second time this month Clark has run afoul of federal financial disclosure rules. Forbes staff writer Zach

Everson [reported](#) that Clark sold at least \$101,001 worth of shares in private investment company Ruane, Cunniff & Goldfarb on January 31, but didn't report the two transactions until August 4.

Dylan Hedtler-Gaudette, government affairs manager for the nonpartisan watchdog group Project on Government Oversight, said Clark's late disclosures warrant congressional action, such as a formal inquiry.

"The point is that if there is no cost to either not disclosing or disclosing late, the incentive for members of Congress to fully comply is weak at best," he said.

# A growing number of STOCK Act violations

Insider and other news organizations have this year chronicled numerous examples of federal lawmakers violating the STOCK Act.

The 2012 law was designed to combat insider trading among elected officials and force lawmakers to be more transparent about their personal financial dealings.

In addition to Clark, lawmakers who this year appear to have violated the STOCK Act's transparency provisions include:

- Sen. [Dianne Feinstein](#), a Democrat of California
- Sen. [Tommy Tuberville](#), a Republican of Alabama
- Sen. [Rand Paul](#), a Republican of Kentucky
- Rep. [Tom Malinowski](#), a Democrat of New Jersey
- Rep. [Pat Fallon](#), a Republican of Texas
- Rep. [Dan Crenshaw](#), a Republican of Texas
- Rep. [Sean Patrick Maloney](#), a Democrat of New York
- Rep. [Blake Moore](#), a Republican of Utah
- Rep. [Debbie Wasserman Schultz](#), a Democrat of Florida
- Rep. [Kathy Castor](#), a Democrat of Florida
- Rep. [Lori Trahan](#), a Democrat of Massachusetts
- Rep. [Steve Chabot](#), a Republican of Ohio
- Rep. [Cheri Bustos](#), a Democrat of Illinois
- Rep. [August Pfluger](#), a Republican of Texas
- Rep. [Diana Harshbarger](#), a Republican of Tennessee

Former Rep. Harley Rouda, a Democrat of California who's attempting a comeback, also [failed to properly disclose](#) stock trades.

Rep. Lois Frankel, a Democrat of Florida, likewise appears to have violated the STOCK Act with disclosures a few days late, though her [office has disputed that](#).

Sen. Jeff Merkley, a Democrat from Oregon, in March [introduced a bill](#), called the "Ban Conflicted Trading Act," that would prohibit members of Congress from trading individual stocks. (It has not yet received a hearing.)

Sen. Elizabeth Warren, a Massachusetts Democrat, and Rep. Pramila Jayapal, a Washington Democrat, have told Insider they plan to file [separate bills](#) also aimed at curtailing lawmakers' stock trades.

Some federal lawmakers abstain from trading stocks altogether. Others only trade in bonds, mutual funds, exchange-traded funds, and other garden-variety investments.

A few, [such as Sen. Jon Ossoff](#), a Georgia Democrat, have placed their assets in [qualified blind trusts](#).

Clark should consider doing this herself, Hedtler-Gaudette said.

Clark could "either divest entirely from individual stocks and similar assets or place any asset that isn't a widely-held [index fund](#) into a blind trust," he said. "Either of these latter two options would make it nearly impossible for Rep. Clark to run afoul of the current legal disclosure and reporting requirements, and they would have the added virtue of giving her constituents greater peace of mind and trust in her priorities as their elected representative."