



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

June 3, 2022

Omar Ashmawy
Chief Counsel
Office of Congressional Ethics
U.S. House of Representatives
P.O. Box 895
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Email: 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 New York Representative Tom Suozzi for violating federal law and House ethics rules.

Federal law and House ethics rules require House Members to disclose their financial information to the public.¹ 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.²

Under the public disclosure requirements, each Member must file an annual financial disclosure report that provides a “full and complete” statement of the Member’s assets, debts, and income.³ In addition to the annual report, a Member must file a periodic report to disclose any financial transaction that exceeds \$1,000 within 30 days of notice of the transaction (but never more than 45 days after the transaction).⁴ This federal law is extremely important, thus it is directly

¹ 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.

² 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, Comm. on Standards of Official Conduct, U.S. House of Reps., at 1 (2008 ed.); *see also* House Ethics Manual, at 123-24 (Members cannot use official resources for any campaign or political purpose).

³ 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.

⁴ *Id.*

incorporated into House ethics rules, and Members are specifically informed of the law.⁵ Each Member has an affirmative duty to ensure compliance with the law.⁶ There is no excuse for inaccurate, incomplete, or late filings, and every violation has consequences.⁷

Contrary to this legal requirement, it was recently reported that Representative Suozzi has again failed to properly disclose stock trades in violation of federal law.⁸ In May 2022, Suozzi disclosed ten stock purchases or sales valued up to \$515,000, which included companies such as computer technology company NVIDIA Corporation, aerospace and defense company Boeing Co, and automaker General Motors.⁹ The disclosure was over a month late and involved companies subject to Congressional legislation or regulation.¹⁰

Suozzi has repeatedly failed to make disclosures or timely ones as required by law—there are numerous other known instances where he either disclosed his stock transactions months or years late, or not at all. In March 2022, it was discovered he failed to disclose 31 stock trades valued at up to \$885,000, which were reported months to four years late.¹¹ In 2021, he was the subject of

⁵ U.S. House of Reps. Rules (2019), r. 26, cl.2 (“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.”). Members receive ethics training on the STOCK Act after being sworn in and thereafter on an annual basis, as well as detailed instructions with the form and on the Ethics Committee website and significant press coverage of their duties. *See, e.g.*, U.S. House of Reps. Comm. on Ethics 116th Cong., *Memo Re. 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.

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>.

⁶ *See, e.g.*, Comm. on Ethics, *Instruction Guide: Financial Disclosure Statements and Periodic Transaction Reports* (CY 2021), at 9, 43, available at <https://ethics.house.gov/sites/ethics.house.gov/files/documents/FINAL%202021%20FD%20Instructions.pdf>

⁷ 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).”).

⁸ Madison Hall, *Democratic Rep. Tom Suozzi, a New York gubernatorial hopeful, just violated the STOCK Act — again*, Business Insider, May 24, 2022, available at: <https://www.businessinsider.com/democratic-rep-tom-suozzi-just-violated-the-stock-act-again-2022-5>.

⁹ Tom Suozzi, *Periodic Transaction Report, Clerk Of The House Of Representatives*, Filed May 20, 2022, available at: https://disclosures-clerk.house.gov/public_disc/ptr-pdfs/2022/20020732.pdf; Madison Hall, *Democratic Rep. Tom Suozzi, a New York Gubernatorial Hopeful, Just Violated the STOCK Act — Again*, Business Insider, May 24, 2022, available at: <https://www.businessinsider.com/democratic-rep-tom-suozzi-just-violated-the-stock-act-again-2022-5>.

¹⁰ *Id.*

¹¹ Kimberly Leonard, *Democratic Rep. Tom Suozzi of New York Violated a Conflicts-of-Interest Law by Disclosing Stock Transactions Years Past a Federal Deadline*, Business Insider, Mar. 8, 2022, available at: <https://www.businessinsider.com/tom-suozzi-stocks-congress-new-york-governor2022-3>.

an OCE complaint alleging he failed to disclose approximately 300 stock trades valued at up to \$11 million.¹²

This law is extremely important and it must be strictly enforced to determine whether a Member has used nonpublic information for profit or whether their personal investments influenced any official action.¹³ There is no excuse for violating this law even one time, but this case is even more egregious because this was not an “inadvertent error or omission.”¹⁴ Rather, Suozzi’s knowledge of the law and his repeated failure to comply with it demonstrates knowing and willful violations.¹⁵ In fact, his spokesperson acknowledged his most recent late filing by simply brushing it off, stating “the required \$200 fine will be paid.”¹⁶ However, Suozzi should have already paid a fine greater than \$200. A report is deemed legally insufficient and not properly filed if the fine is not paid with the late report and the fine for multiple offenses is more than \$200.¹⁷ Moreover, a fine does not remedy the breach of the ethics rules for a Member consistently not following the law.

The failure of Members to follow the most basic ethics rules they themselves created leads to public distrust in our elected officials as a whole.¹⁸ The OCE must act to ensure compliance with the most fundamental ethics requirements and to maintain the public’s trust. We request the OCE investigate Rep. Suozzi’s stock trades and apparent failure to file the required timely and accurate disclosures, and impose any appropriate sanctions.

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.

¹² Deidre Walsh, *Outside Ethics Group Says 7 House Lawmakers Didn't Disclose Stock Trades*, National Public Radio, Sept. 23, 2021, available at: <https://www.npr.org/2021/09/22/1039287987/outside-ethics-group-says-7-house-lawmakers-didnt-disclose-stock-trades>; *Suozzi OCE Complaint*, Campaign Legal Center, Filed Sept. 22, 2021, available at: https://campaignlegal.org/sites/default/files/2021-09/Suozzi_OCE%20Complaint_Final.pdf.

¹³ Members may obtain nonpublic information about a company or economic sector during the course of the official duties. U.S. House of Reps. Comm. on Ethics 116th Cong., *Memo Re. Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement*, at 3 (June 11, 2020).

¹⁴ See, e.g., *In the Matter of Allegations Relating to Representative Vernon G. Buchanan*, 112th Cong., 2nd Sess. (July 10, 2012) at 5.

¹⁵ *Id.*

¹⁶ Madison Hall, *Democratic Rep. Tom Suozzi, a New York Gubernatorial Hopeful, Just Violated the STOCK Act — Again*, Business Insider, May 24, 2022, available at: <https://www.businessinsider.com/democratic-rep-tom-suozzi-just-violated-the-stock-act-again-2022-5>.

¹⁷ Comm. on Ethics, *Instruction Guide: Financial Disclosure Statements and Periodic Transaction Reports (CY 2021)*, at 8, available at: <https://ethics.house.gov/sites/ethics.house.gov/files/documents/FINAL%202021%20FD%20Instructions.pdf>.

¹⁸ See, e.g., Tim Mak, *TikTokers Are Trading Stocks By Copying What Members Of Congress Do*, NPR, Sept. 21, 2021, available at: <https://www.npr.org/2021/09/21/1039313011/tiktokers-are-trading-stocks-by-watching-what-members-of-congress-do> (discussing that a portion of the public has lost trust in government to the extent they believe Members’ stock trades are based on corruption and it would be financially beneficial to copy the Members’ trades).

Sincerely,

/s/ Kendra Arnold

Kendra Arnold

Executive Director, Foundation for Accountability & Civic Trust