



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

April 13, 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

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 Sean Patrick Maloney for violating United States House of Representatives ethics rules.

Federal law and House Ethics rules require 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.¹ In addition to the annual report, a Member must file a periodic report anytime they have a financial transaction that exceeds \$1,000, which must be filed a maximum of 45 days from the date of the transaction.²

Contrary to this legal requirement, it was recently reported that Representative Maloney failed to publicly disclose stock transactions that occurred in June 2020.³ These involved eight stocks valued at \$11,051, which he ultimately reported in April 2021.⁴ Maloney’s filing described his failure to comply with federal law as an “oversight” and a spokesperson for Maloney stated, “We assume this is a routine belated filing issue, and if there is a penalty of course we will pay.”⁵

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 *Id.*

³ Warren Rojas and Dave Levinthal, *Congressional Stock Report: Sean Patrick Maloney's Disclosure Delay, Rick Allen's Green Energy Gambit*, Business Insider, April 12, 2021 (attached as Exhibit A).

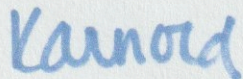
⁴ *Id.* Rep. Sean Patrick Maloney, Periodic Transaction Report, Filed April 2, 2021, available at https://disclosures-clerk.house.gov/public_disc/ptr-pdfs/2021/20018502.pdf

⁵ *Id.*

Maloney's response to his legal violation should greatly concern the Ethics Committee. First, Maloney's description of his failure to follow the disclosure laws as an "oversight" is incorrect—it is a violation of the law and one that must have consequences.⁶ Moreover, there is no such thing as a "routine belated filing issue" and describing it as such further demonstrates his disregard for the law. 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.⁷ Members are well aware of the law and must affirmatively act to ensure compliance. The OCE must investigate Maloney's stock trades and his failure to file the required disclosures, and impose appropriate sanctions including fines and penalties.

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,



Kendra Arnold
Executive Director, Foundation for Accountability & Civic Trust

⁶ 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).").

⁷ 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).

Exhibit A

Congressional Stock Report: Sean Patrick Maloney's Disclosure Delay, Rick Allen's Green Energy Gambit

Business Insider | [Warren Rojas](#) , [Dave Levinthal](#) | April 12, 2021
[View Source](#)

- Democratic Rep. Sean Patrick Maloney of New York didn't disclose stock sales on time.
- Republican Rep. Rick Allen of Georgia invests in a company known for green energy.
- Several current or former senators have asked for extensions in filing annual financial disclosures.

Members of Congress routinely trade stocks, buying and selling the shares of companies that often have significant business before the federal government — and sometimes spend lots of money to lobby lawmakers.

Insider dug through congressional financial disclosure records federal lawmakers filed in recent days. Here are the latest highlights from what we've found.

Maloney's disclosure delay

After Rep. **Sean Patrick Maloney's** mother died, the congressman inherited shares of eight stocks, including those of Apple Inc., Microsoft Corporation, alcohol conglomerate Diageo PLC, and investment management company BlackRock Inc.

Total value: \$11,051. Last June, he sold the stocks.

But Maloney didn't [publicly disclose those stock sales](#) until last week.

That's a potential problem because federal law mandates that members of Congress publicly disclose stock trades in a "periodic transaction report" within 30 to 45 days of making a trade, depending on the kind of trade. Late filings of this sort can expose a member of Congress to an investigation and [potential fine](#).

"During preparation for the filer's [financial disclosure] report, it was determined that these 8 transactions totaling \$11k should have been reported on a [periodic transaction report]," Maloney wrote on April 2 to the Clerk of the House of Representatives. "As soon as this oversight was discovered, this filing was submitted to provide full transparency into that sale."

In response to questions from Insider, Maloney spokesperson **Libbie Wilcox** said neither the [Office of Congressional Ethics](#), an independent body empowered to investigate members of Congress' conduct, nor the [House Committee on Ethics](#) has contacted Maloney's office about this matter.

"We assume this is a routine belated filing issue, and if there is a penalty of course we will pay," Wilcox said.