

JANUARY 14, 2020

# **Warren, Van Hollen Seek Insider Trading Probe Following Report that President Trump Informed Mar-a-Lago Guests in Advance of Iran Attack that Killed Major General Qasem Soleimani**

Senators Raise Concern About Potential for Illegal Trading in Oil, Defense Company Stocks by Guests the President May Have Provided with Confidential Market-Moving Information

[Text of Letter \(PDF\)](#)

Washington, D.C. - United States Senators Elizabeth Warren (D-Mass.), Ranking Member of the Banking, Housing, and Urban Affairs Subcommittee on Financial Institutions and Consumer Protection; and Chris Van Hollen (D-Md.), Ranking Member of the Banking, Housing, and Urban Affairs Subcommittee on Securities, Insurance, and Investment; sent a letter to the Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC) requesting that the agencies open investigations into whether there may have been any illegal trading in defense company stocks, oil futures, or related commodities stemming from individuals' advance knowledge of the U.S. attack on January 2, 2020, that killed Iranian Major General Qasem Soleimani. The senators' letters follow reporting that President Trump gave guests at his Mar-a-Lago resort advance knowledge of potential military action.

Between January 2, 2020, before the announcement of the attack, and the end of the day on January 3, 2020, Northrop Grumman stock prices increased by over 5%; Lockheed Martin's stock prices increased by 3.6%; and the stock prices of Raytheon-Secretary of Defense Mark Esper's former employer- increased by 1.5%. Immediately following the killing of Soleimani, the price of crude oil increased by over 4%.

According to reporting from *The Daily Beast*, "in the five days prior to launching a strike that killed Iran's most important military leader, Donald Trump roamed the halls of Mar-a-Lago, his private resort in Florida, and started dropping hints to close associates and club-goers that something huge was coming."

"If this report is true, it raises a number of troubling national security questions regarding President Trump's handling of classified and other sensitive national security information," **the senators wrote in their letter to the SEC and CFTC.** "It also means that individuals who were guests at President Trump's resort may have obtained confidential market-moving information and had the opportunity to trade defense industry stocks or commodities or make other trades based on this information."

Had Mar-a-Lago members made such trades, they may potentially have violated the Insider Trading Sanctions Act of 1984, which bars individuals from "purchasing or selling a security or security-based swap agreement while in possession of material, nonpublic information." Violation of these laws may subject individuals to civil penalties "three times the amount of the profit gained or loss avoided" and criminal penalties up to \$5,000,000 or 20 years imprisonment.

"Given the important national security issues at stake, and the threat to the integrity of the markets, it is important that you resolve any questions about whether any of President Trump's guests may have engaged in profiteering based on inside information obtained from the President at Mar-a-Lago," **the senator continued.**

Senators Warren and Van Hollen asked the agencies to swiftly investigate the matter and to provide a briefing by no later than February 13, 2020.

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