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# **After Troubling New Revelations in Federal Reserve Stock Trading Scandal, Warren Calls for Transparency Into Officials' Trading and Fed Ethics Policies**

**Fed Has Yet to Provide Senator Warren with Complete Information on Fed Officials' Trades, Warnings from Fed Ethics Officers, and the New Fed Ethics Policy**

WASHINGTON, D.C. — United States Senator Elizabeth Warren (D-Mass.) called on Federal Reserve (Fed) Chair Jerome Powell to immediately release information related to Fed officials' trades and changes to the Fed's ethics policy after new and troubling revelations about Vice Chair Richard Clarida's trades in March 2020 . Last week, the *New York Times* revealed that Vice Chair Clarida not only purchased shares in a stock investment fund the day before the Fed announced it was prepared to protect the economy from the pandemic's fallout, but he had previously sold his shares in that same fund three days earlier as financial markets plunged. The revelations raise concerns that Clarida may have been trading on inside information related to planned policy moves, and that the Fed has failed to disclose the full scope of officials' trading practices to the public. Senator Warren is asking for detailed information from the Fed by January 17, 2022.

“The Fed has failed to respond to two of my previous inquiries... This refusal to provide information to Congress became even more troubling after a report last week in the New York Times revealed that one Fed official's trades “went further than first disclosed,” raising fresh questions about the actions and intent of Fed Vice Chair Richard Clarida. I am deeply concerned that your continued refusal to release information about Fed officials' trading is at odds with your stated commitment to address the scandal “forthrightly and transparently” and, that

particularly in light of the new report, it raises suspicions that the Fed may be failing to disclose the full scope of the scandal to the public,” wrote Senator Warren.

In September 2021, reports indicated that high-ranking Fed officials had engaged in trades of individual stocks and other investments at the height of the pandemic; weeks later, reporting revealed that Fed officials were warned about the ethics risks of trading stocks, bonds, and other investments in March 2020. Following Senator Warren’s request for information, the Fed released an excerpt of the email warning officials to “avoid unnecessary trading for a few months as the Fed dived deeper into markets,” but the Fed has yet to release the full email or any other ethics guidance issued at the time. Senator Warren is asking the Fed to respond to her requests for critical information so Congress and the public can evaluate the full extent of trading in individual stocks by Fed officials, the extent to which Fed officials were warned of the risks from their trading, and whether the changes to the Fed’s ethics practices are sufficient to prevent future financial conflicts of interest.

As the ethics scandals involving top level Fed officials were revealed in September and October of this year, Senator Warren [called out the culture of corruption](#) and raised concerns over conflicts of interests that have undermined public confidence. She previously [called on the SEC](#) to investigate the extent of trading activity by high-level Federal Reserve officials and whether these trades might have violated insider trading laws. She also [urged Regional Fed leaders](#) to follow the robust and comprehensive ethics guidelines in her [Anti-Corruption and Public Integrity Act](#). Senator Warren has long championed tighter ethics rules that prohibit all government officials from holding or trading individual stock that may be influenced by their agency, department, or actions.

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