

# Revealed: Corrupt US senators invest in tech firms that they are supposed to regulate and sabotage their competitors

## [US Senate](#)

Analysis of financial disclosure data shows 51 senators and their spouses have as much as \$96m invested in corporate stocks

As they set national policy on important issues such as climate change, tech monopolies, medical debt and income inequality, US senators have glaring conflicts of interest, an investigation by news website [Sludge](#) and the Guardian can reveal.

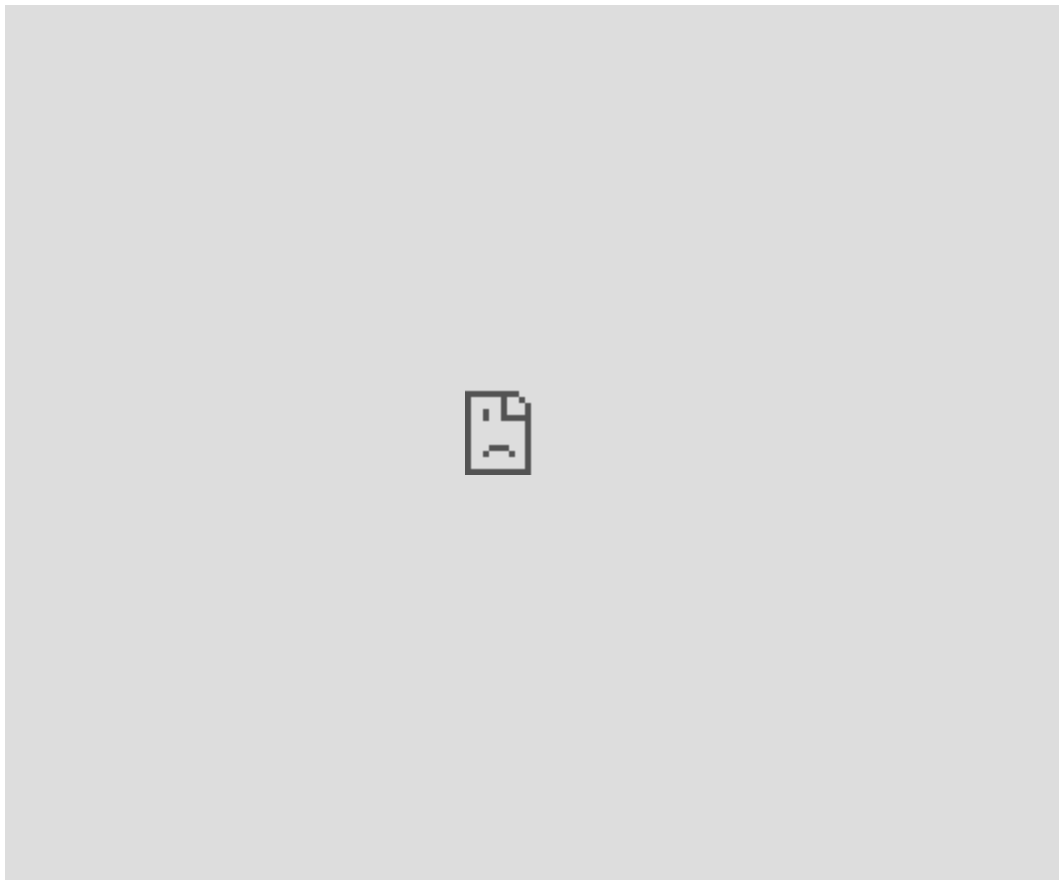


An analysis of personal financial disclosure data as of 16 August has found that 51 senators and their spouses have as much as \$96m personally invested in corporate stocks in five key sectors:

communications/electronics; defense; energy and natural resources; finance, insurance and real estate; and health.

The majority of these stocks come from public companies, and some are private.

Overall, the senators are invested in 338 companies – including tech firms such as Apple and Microsoft, oil and gas giants including ExxonMobil and Antero Midstream, telecom companies including Verizon, and major defense contractors such as Boeing – in the five sectors as categorized by Sludge.



Congressional financial disclosures present investments in dollar ranges, not exact amounts, so all data in this report comes in ranges, some very wide. The median stock investment range in

the five sectors for the 51 senators is between \$100,000 and \$365,000, while the average range of the investments is between \$551,000 and nearly \$1,874,000.

Not only are the senators far wealthier than most of their constituents, but they're in a prime position to increase their wealth via policymaking.

It's not illegal for members of Congress to have personal financial stakes in the industries on which they legislate. But such investments raise questions about lawmakers' motivations. If a representative on the House financial services committee [owns hundreds of thousands of dollars worth of stock in Bank of America](#), how might this investment affect their questioning of Bank of America's CEO in a hearing? Could it influence how they legislate and vote on banking issues?

While some members of Congress do try to limit possible conflicts of interest others claim their personal finances could never influence their conduct as elected representatives of the people, or fail to acknowledge concerns about their finances.

Senator Joe Manchin, the ranking member on the Senate energy and natural resources committee, owns between \$1m and \$5m worth of non-public stock in his family coal business, Eversource Energy, making him the only Democratic senator who is directly profiting from the environmentally devastating coal business.

Despite pressure from the left, the Senate minority leader, Chuck Schumer, made Manchin the ranking member of the committee, and Manchin did not divest his coal holdings.

Some senators want to do away with these perceived conflicts of interest. Senator Elizabeth Warren introduced [anti-corruption legislation](#) in August 2018 that included a ban on members of Congress, senior congressional staff, cabinet secretaries, White House staff, federal judges and other officials from owning individual stocks, bonds, commodities, futures and other types of securities while in office.

The senators Sherrod Brown and Jeff Merkley introduced the [Ban Conflicted Trading Act](#) in December to prevent members of Congress and senior staff from trading individual corporate stocks.

## Financial firms lead the way

Senators own between \$28.1m and \$95.6m worth of stock in the five sectors examined by Sludge and the Guardian. They have the most money invested in the finance, insurance and real estate sector due in part to the Republican senator John Hoeven's investment in Westbrand, Inc, a private holding company that owns multiple banks, worth between roughly \$5m and \$25m.

Altogether, 37 senators and their spouses own between \$12.8m and \$48.2m worth of stock in the finance, insurance and real estate sector. They have the most money invested in the commercial banking industry, between \$8.3m and \$32.9m.

Senator Richard Shelby, a Republican member of the Senate banking, housing and urban affairs committee, owns between \$1m and \$5m worth of stock in private real estate insurance firm Tuscaloosa Title Company. Shelby sits on the housing, transportation and community development subcommittee, which has jurisdiction over the US Department of Housing and Urban Development, affordable housing, foreclosure mitigation and other housing matters, and the securities, insurance and investment subcommittee, which oversees the insurance industry.

Nine other banking committee members are personally invested in the financial companies they oversee including the Republican John Kennedy and the Democrats Doug Jones, Robert Menendez and Tina Smith.



## **Mining, communications and healthcare**

The same phenomenon of senators owning stock in industries they oversee exists in many other Senate committees.

Senators have between \$8.3m and \$22m invested in the communications and electronics sector, including up to \$4.2m in internet companies and as much as \$4.1m in computer software businesses. Senator Shelley Moore Capito, a member of the commerce, science, and transportation committee's subcommittee on communications, technology, innovation and the internet and the subcommittee on manufacturing, trade and consumer protection, owns between \$53,000 and \$194,000 worth of Microsoft stock, as much as \$99,000 of Intel stock and up to \$30,000 each in AT&T and Verizon stock.

Senator Jacky Rosen, who is also on both subcommittees, owns between \$310,000 and \$1m worth of communications and electronics stock. Her largest potential investments are as much as \$265,000 in Amazon, up to \$115,000 in AT&T and \$100,000 in software company Adobe.

Energy and natural resources companies come up frequently in the senators' investments; members own between \$3.5m and \$13.9m in stocks in this sector. As the world hurtles towards a potential climate catastrophe by 2030, senators own as much as \$6.1m worth of stock in oil and gas companies. In addition, members have between \$1.1m and \$2.8m invested in electric and natural gas utilities stocks.



While medical debt piles up and tens of millions of Americans are still uninsured, senators own as much as \$9.5m in health sector companies including insurers UnitedHealth Group and Anthem, pharmaceutical companies Abbott Labs, Johnson & Johnson and Pfizer, and pharmacy benefit manager CVS Health.



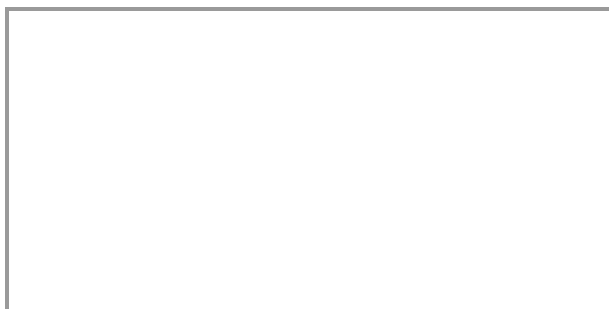
## Tech stocks are most popular

While the financial sector has drawn the most investment dollars from senators, stocks in the internet and computer software and hardware industries are the most popular.

Fifteen senators own stock in Apple and in Microsoft; eleven are invested in Amazon and in Intel, and 10 own stock in Google's parent company, Alphabet.

Republicans tend to be more eager to invest in corporate stocks; of the 25 most popular public stocks, Democrats invested outnumber Republicans in only three companies: General Electric, MetLife, and Pfizer. (General Electric is classified in the energy and natural resources sector for this report, due to its energy subsidiary, GE Power, which operates an oilfield services division.)

Overall, Republican senators own more in stock investments – between \$18.8m and \$63.7m – than Democrats, whose stock ownership is worth roughly half of that range, between \$9.3m and \$31.6m.



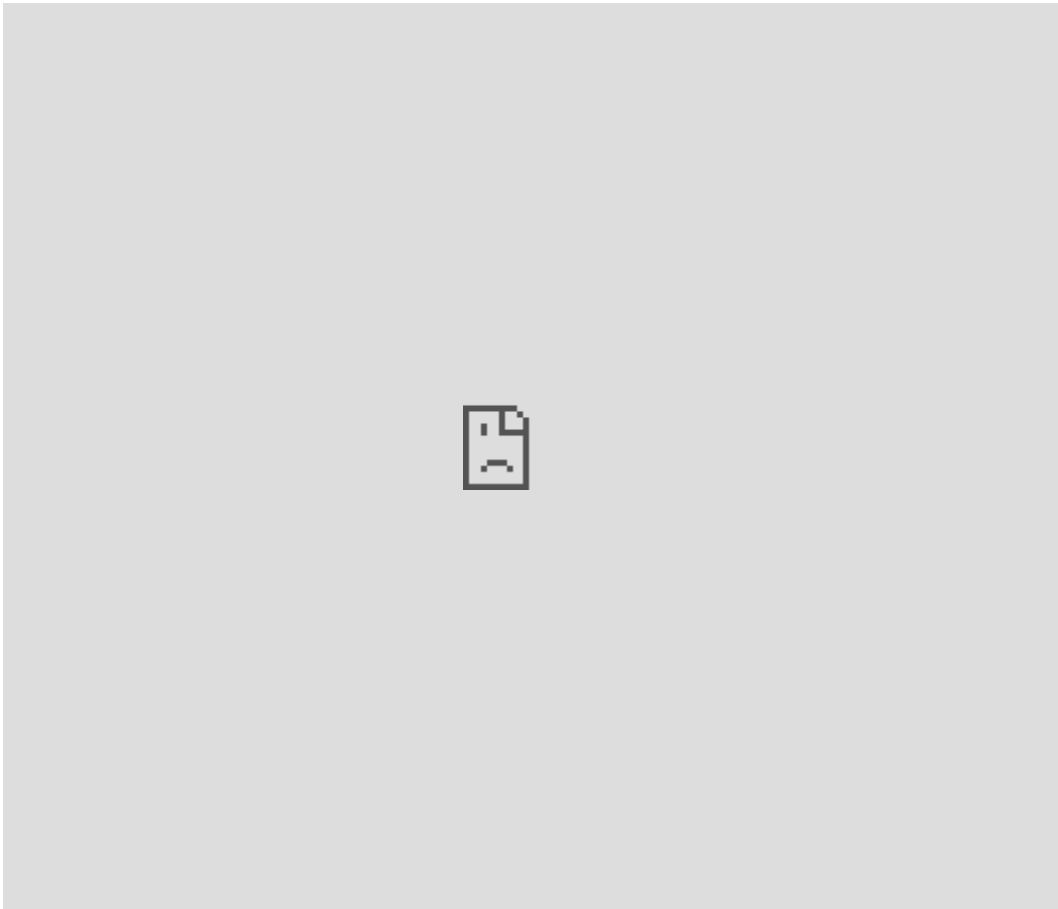
Aside from the Wireless Telecom Group, in which Senator Rick Scott of Florida has as much as \$3m invested, the top public

stocks by investment amount are Apple (between \$798,000 and \$2.2m), Microsoft (\$588,000 to \$2.2m), and Alphabet (\$577,000 to \$1.8m). Ownership in Amazon, which is [vying for a \\$10bn defense contract](#), is not far behind at between \$423,000 and \$1.3m.

Wells Fargo, the financial giant that has paid numerous fines for its frequently fraudulent practices, is the bank that has attracted the most investment dollars from senators: as much as \$1.5m. Also among the top stocks are telecom companies Crown Castle International (\$385,000 to \$1.2m), Verizon (\$407,000 to \$1m), and AT&T (\$250,000 to \$925,000).

## Breaking down the Senators' wealth

Because of Hoeven's big investment in Westbrand Bank Holding Company, he has by far the most money in corporate stocks from the five sectors analyzed by Sludge and the Guardian.



In terms of total stock ownership in the five sectors, Senator Dianne Feinstein, who along with husband Richard Blum, an investment banker, is second, with up to \$7m invested in the five sectors. Blum's purchase of as much as \$250,000 worth of Facebook stock three months before his wife questioned the Facebook CEO, Mark Zuckerberg, came under scrutiny after Sludge [reported](#) the trade. He has since sold off the stock, but

the couple still owns up to \$3.3m worth of communications and electronics sector stock, which is heavily represented their state of California, including between \$150,001 and \$650,000 invested in Alphabet.

Feinstein is followed by Senator David Perdue, who owns as much as \$6.4m invested. In addition to his considerable financial sector stock, the former Dollar General CEO has stock holdings worth as much as \$2.8m in the energy and natural resources sector and up to \$2m in the communications and electronics sector.

*This article was produced in partnership with [Sludge](#), an investigative news website focused on money in politics. Sludge is [funded by donations](#) from its readers and supporters.*