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**CATHY WURZER:** A report from the *New York Times* shows that three Minnesota members of congress had conflicts with trading stocks, bonds, and other financial assets that intersected with their congressional work. US Democratic representatives Dean Phillips and Angie Craig as well as senator Tina Smith all reported trading stocks for themselves or family members in companies that could be affected by their legislative work. The Minnesotans are among 97 current US legislators listed in the report.

To explain this ethical issue, we're joined by professor Larry Jacobs. He is chair of public affairs and political studies at the university of Minnesota's Humphrey School of Public Policy. Professor Jacobs, welcome back. How are you?

**LARRY JACOBS:** Good. Good to be with you, Cathy.

**CATHY WURZER:** Thank you for joining us. Let's start with the basics of the story. *The Times* did this extensive analysis of stock trades by members of congress from 2019 to 2021. And over that three-year period, more than 3,700 trades reported by lawmakers from both parties. Why is that an issue?

**LARRY JACOBS:** Well, obviously, if you've got members of congress sitting on committees, taking votes, making decisions that could impact their holdings, that would be a big issue. So for instance, we've got a senator who is involved in cattle raising and he's involved on the AG committee and making policy on the committee that makes policy that affects the price of cattle when they're sold. And that is just rampant throughout congress. The potential conflict of interest between the work of members of congress in committees and their financial holdings or that of their families.

**CATHY WURZER:** But members of congress are allowed to buy and sell stocks and bonds on their financial instruments as long as they don't trade on that inside information their terms of the STOCK Act, is that right?

**LARRY JACOBS:** That is exactly right. That's the sticking question, though, which is, do we-- or do they have access to information even if that information is not necessarily on their committee? Are they hearing it from colleagues? We've got-- in our case in Minnesota, we've got one of the members, Dean Phillips--

**CATHY WURZER:** You still with me, Larry? Oh, my goodness! We appear to have lost Larry Jacobs. We just had a dropped cell there. That's always difficult when you're doing something live on the radio.

We are talking, by the way, about this *New York Times* report that showed that 97 sitting members of congress, including three members of the Minnesota congressional delegation were trading stocks and bonds and other financial assets that intersected-- could intersect with their congressional work.

And Larry Jacobs, who's from the university of Minnesota, was talking about the ethics of that. And then, of course, we just happened to lose him. So I'm hoping we get him back somewhere along the line. If not, of course, we'll have to move on to other news of the day. Larry, are you with us? Evidently not. We'll continue to work on this situation.

**LARRY JACOBS:** I can hear you.

**CATHY** Hi there, Professor Jacobs. Sorry about that. We have some gremlins in our system.

**WURZER:**

**LARRY JACOBS:** Yes. Well, they're out there.

**CATHY** It happens. At any rate, we were talking a little bit about the STOCK Act, why this could be a potential problem.

**WURZER:** This is allowed under congressional rules. But as you know, perception is everything in politics. So is there a perception of impropriety? And what does that do for public confidence and lawmakers, which really isn't terribly high?

**LARRY JACOBS:** Exactly. If you've got a member of congress whose committee that they sit on is making decisions or issuing damning reports about a industry that they hold stock in or a member of their family does, it looks terrible and it could be terrible. It could be corruption. So that's the problem. And I think the more you go into the details, the more difficult some of these conclusions become.

**CATHY** Now, you were talking about congress member Dean Phillips, one of the Minnesotans involved, at least

**WURZER:** mentioned in this *New York Times* article. He seems to have had by far the most stock trades of the three Minnesotans. How much of a problem is that for him?

**LARRY JACOBS:** Well, it looks terrible. So the impression is bad. On the other hand, it really helps to know that he put all of his financial holdings with the law firm that is making his financial decisions. So it's a blind trust. He does not have access to the information that he can then turn around and use. So to me, that is the case that we're protected against the actual conflict of interest, but the potential and the public perception of it is quite damning.

**CATHY** Have there been calls in the past to tighten up the rules and to maybe require that all members of congress put

**WURZER:** their assets into blind trusts?

**LARRY JACOBS:** Yes, this has been an ongoing issue in congress and both parties. This is not just Democrats there. If you look on the Republican side, there are plenty of Republicans, including the senate leader, Mitch McConnell, who's been listed in this *Times* report.

But the problem in the past reform is that members of congress are saying, Wait a second. I'm not taking a vow of poverty. And I need to be able to be engaged with my financial holdings. And that we're going to take protections to avoid any impropriety or the perception of it. Obviously, that doesn't work though.

And I understand why people might be outraged by what's happened with the Democrats in Minnesota, the three Democrats listed by the *Times* and the dozens of Republicans who are also listed.

**CATHY** So legislators, they will not face any consequences for this?

**WURZER:**

**LARRY JACOBS:** Well, I think there needs to be a close look. But I would say based so far on what we know about the three Minnesotans, I don't see grounds for it. But again, we're just maybe at the early stages of this.

Tina-- excuse me Angie Craig is listed, and the financial transactions were by her college age son. And she says, I had no idea that was going on. She actually favors this tougher legislation that would bar all members of congress and their families from having the perception that they're trading on insider information.

**CATHY** By the way, is this-- is the STOCK Act-- is that a fairly recent bit of legislation? Has this gone on for decades?  
**WURZER:**

**LARRY JACOBS:** The conversation has gone on for decades. The Act is more recent.

**CATHY** Larry, I'm sorry, I have to run. I appreciate your time. Thank you so much. And I'm sorry about the technical  
**WURZER:** issues.

**LARRY JACOBS:** Always good to be with you, Cathy.

**CATHY** Likewise. Of course, I've been talking to Professor Larry Jacobs. He's the chair of public affairs and political  
**WURZER:** studies at the U of M's Humphrey School of Public Policy.