

US Justice Department drops insider trading investigation of three senators

Jacob Crosse
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Aides to three US senators, Republicans Kelly Loeffler (Georgia) and James Inhofe (Oklahoma) and Democrat Dianne Feinstein (California), confirmed this week that the US Justice Department has dropped investigations into insider trading activity by the senators in January and February of this year. However, North Carolina Senator Richard Burr, the former chairman of the Senate Intelligence Committee, remains under investigation.

Federal Bureau of Investigation agents seized Burr's cell phone earlier this month under a warrant that granted agents access to Burrs' iCloud storage and private messages. As of this writing, no charges have been publicly filed against Burr.

Publicly disclosed Senate filings by all four senators documented that they and/or their associates sold off millions of dollars of their stock investments after the senators were given access to classified briefings in January warning of a major coronavirus pandemic hitting the US. On the basis of this inside information, which they did not share with their constituents or the general public, the senators sold off large stock holdings while the market was at its apex, in advance of a 10,000-point drop in the Dow that began in mid-February and continued into late-March in response to the growing international pandemic crisis.

The market collapse was halted and reversed around the time of the passage of the multi-trillion-dollar CARES Act bailout, which has sustained a record 35 percent rise in the Dow since the end of March.

Even as they were dumping stock holdings, several of the senators were publicly reassuring the country that it had nothing to fear from the virus.

All four senators are multimillionaires. Feinstein, at \$58.5 million, is the eighth richest member of the Senate. Loeffler, at \$500 million, is the richest member

of Congress.

In March, the four were publicly named as targets of a Securities and Exchange Commission and Justice Department investigation after it was reported by multiple news organizations that each had sold six-figures (or more) worth of stock after receiving classified intelligence briefings on January 24. The Senate Health Committee and the Senate Foreign Relations Committee hosted the briefing, which included Dr. Robert Redfield, director of the Centers for Disease Control and Prevention (CDC) and Dr. Anthony Fauci, head of the infectious disease unit of the National Institutes of Health.

While all four senators were, and still are, privy to classified briefings, at the time the transactions were made, Inhofe, Feinstein and Burr were all members of the US Senate Select Intelligence Committee, with Burr serving as chair. Through this committee, each member had access to highly classified and detailed CIA briefings that detailed the true threat of the COVID-19 pandemic as early as the first week of January. This privileged knowledge allowed the senators ample opportunity to maneuver and safeguard their personal wealth, while concealing the US government's lack of pandemic preparedness.

Through a spokesperson, Loeffler released a statement claiming vindication after a "clear exoneration by the Department of Justice, [which] affirms what Sen. Loeffler has said all along: She did nothing wrong, this was a politically motivated attack shamelessly promoted by the fake news media and her political opponent."

Disclosure forms revealed that Loeffler engaged in 27 different transactions over a 22-day period starting in January and continuing through February, in which Loeffler sold up to \$3.1 million worth of stock.

In April, Loeffler took to Fox News to defend her “success” against “socialist attacks,” stating, “This was a political attack designed to take away from the issue at hand. And to use this outbreak to play politics. We have addressed this and taken extraordinary measures to make sure that we can’t be attacked for our success. This gets at the very heart of why I came to Washington, to defend free enterprise, to defend capitalism. This is a socialist attack.”

It is highly symbolic that in the same week, Loeffler, an embodiment of ill-gotten wealth, was protected by the FBI, while George Floyd was murdered by Minneapolis police for allegedly passing a \$10 bill. This is an instructive example of class justice.

Inhofe, speaking to the *Oklahoman*, also claimed vindication, stating, “I did nothing wrong, and I’m pleased the Justice Department has exonerated me.” Inhofe had sold shares worth between \$180,000 and \$400,000 from five companies on January 27. A month later he disclosed that he sold an additional \$50,000–\$100,000 worth of stock.

California Senator Feinstein declined to comment through representatives after the FBI decided to halt its investigation into her stock dealings. Feinstein’s Senate disclosures revealed that she had sold up to \$6 million worth of stock in a single company between January 31 and February 18.

Inhofe, Feinstein and Loeffler all claimed from the outset that they had “no knowledge” of any sales conducted in their names or on their behalf. All three insist that intermediaries handled all of their transactions and no confidential information was provided.

Burr, unlike his fellow gifters, has always acknowledged that he had sold his shares, up to \$1.72 million worth, not through an intermediary but on his own accord, and that he sold them in large part due to fears of the financial impact of the virus. His holdings included over \$300,000 worth of stock in Wyndham Hotel and Resorts, Extended Stay America and Park Hotels and Resorts.

Burr first claimed in a March 20 statement that he knew to sell his stock after viewing publicly available reports on television. His statement read, in part: “I relied solely on public news reports to guide my decision regarding the sale of stocks on February 13. Specifically, I closely followed CNBC’s daily health

and science reporting out of its Asia bureaus at the time.”

In his capacity as chair of the Senate Intelligence Committee, Burr oversaw the Senate investigation into the claims of massive Russian interference in the 2016 elections and possible collusion by the Trump campaign. He worked closely with the Democratic vice chair of the Intelligence Committee, Mark Warner of Virginia, and maintained a show of bipartisan objectivity, in contrast with his Republican counterparts in the House.

His committee’s final report backed the claims of the intelligence agencies that there was Russian interference, unprecedented in its “manner and aggressiveness.” These findings, coupled with a 2017 subpoena issued by the committee that compelled Donald Trump Jr. to testify before the Senate, angered President Trump. This may explain, at least in part, the disparate treatment of Burr from that of the other three senators.

It is also the case that Burr has been rather brazen in his dealings. Throughout his Senate career, he has sat on committees that oversee the regulation of industries in which he has a direct financial interest. A May 15 article by *Politico* detailed numerous examples of Burr trading stock in companies while at the same time introducing legislation to benefit the same companies. For example, he bought stock in medical device companies while overseeing a repeal of the medical device tax.



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