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Subject to the Nondisclosure Provisions of H. Res. 895 of the 110th Congress as Amended

OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

REPORT

Review No. 21-6367

The Board of the Office of Congressional Ethics (hereafter “the Board”), by a vote of no less than four members, on February 18, 2022, adopted the following report and ordered it to be transmitted to the Committee on Ethics of the United States House of Representatives (hereafter “the Committee”).

SUBJECT: Representative Tom Suozzi

NATURE OF THE ALLEGED VIOLATION: Rep. Suozzi may have failed to file timely Periodic Transaction Reports (PTRs) for various reportable transactions. If Rep. Suozzi failed to file PTRs for reportable transactions, then he may have violated House rules, standards of conduct, and federal law.

RECOMMENDATION: The Board recommends that the Committee further review the above allegation concerning Rep. Suozzi because there is substantial reason to believe that Rep. Suozzi failed to file PTRs for reportable transactions.

VOTES IN THE AFFIRMATIVE: 5

VOTES IN THE NEGATIVE: 0

ABSTENTIONS: 0

MEMBER OF THE BOARD OR STAFF DESIGNATED TO PRESENT THIS REPORT TO THE COMMITTEE: Omar S. Ashmawy, Staff Director & Chief Counsel.

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FINDINGS OF FACT AND CITATIONS TO LAW

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OFFICE OF CONGRESSIONAL ETHICS
UNITED STATES HOUSE OF REPRESENTATIVES

FINDINGS OF FACT AND CITATIONS TO LAW

Review No. 21-6367

On February 18, 2022, the Board of the Office of Congressional Ethics (hereafter “the Board”) adopted the following findings of fact and accompanying citations to law, regulations, rules, and standards of conduct (*in italics*). The Board notes that these findings do not constitute a determination of whether a violation occurred.

I. INTRODUCTION

A. Summary of Allegations

1. Rep. Suozzi may have failed to file timely Periodic Transaction Reports (PTRs) for various reportable transactions. If Rep. Suozzi failed to file PTRs for reportable transactions, then he may have violated House rules, standards of conduct, and federal law.
2. The Board recommends that the Committee further review the above allegation concerning Rep. Suozzi because there is substantial reason to believe that Rep. Suozzi failed to file PTRs for reportable transactions.

B. Jurisdiction Statement

3. The allegations that were the subject of this review concern Rep. Suozzi, a Member of the United States House of Representatives from the 3rd District of New York. The Resolution the United States House of Representatives adopted creating the Office of Congressional Ethics (“OCE”) directs that, “[n]o review shall be undertaken ... by the [B]oard of any alleged violation that occurred before the date of adoption of this resolution.”¹ The House adopted this Resolution on March 11, 2008. Because the conduct under review occurred after March 11, 2008, review by the Board is in accordance with the Resolution.

C. Procedural History

4. The OCE received a written request for preliminary review in this matter signed by at least two members of the Board on October 20, 2021. The preliminary review commenced on October 21, 2021.²
5. On October 21, 2021, the OCE notified Rep. Suozzi of the initiation of the preliminary review, provided him with a statement of the nature of the review, notified him of his right to

¹ H. Res. 895 of the 110th Congress § 1(e) (2008) (as amended) (hereafter “the Resolution”).

² A preliminary review is “requested” in writing by members of the Board of the OCE. The request for a preliminary review is received by the OCE on a date certain. According to the Resolution, the timeframe for conducting a preliminary review is 30 days from the date of receipt of the Board’s request.

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6. At least three members of the Board voted to initiate a second-phase review in this matter on November 19, 2021. The second-phase review commenced on November 20, 2021.⁴ The second-phase review was scheduled to end on January 3, 2022.
7. On November 19, 2021, the OCE notified Rep. Suozzi of the initiation of the second-phase review in this matter, and again notified him of his right to be represented by counsel in this matter, and that invoking that right would not be held negatively against him.⁵
8. The Board voted to extend the second-phase review by an additional period of fourteen days on December 17, 2021. The additional period ended on January 17, 2022.
9. The Board voted to refer the matter to the Committee for further review and adopted these findings on February 18, 2022.
10. The report and its findings in this matter were transmitted to the Committee on February 28, 2022.

D. Summary of Investigative Activity

11. The OCE requested documentary and, in some cases, testimonial information from the following sources:
 - (1) Rep. Suozzi; and
 - (2) Witness 1, Rep. Suozzi's accountant.

II. REP. SUOZZI'S STOCK ACT COMPLIANCE

A. Applicable Law, Rules, and Standards of Conduct

12. Federal Law

The STOCK Act, Pub. L. No. 112-105, 126 Stat. 291 (2012), P.L. 112-105

The Stop Trading on Congressional Knowledge Act of 2012, Pub. L. No. 112-105, 126 Stat. 291 (2012), P.L. 112-105 ("STOCK Act") amended the Ethics in Government Act of 1978 ("EIGA") to require Members of Congress to file Periodic Transaction Reports ("PTRs") for certain transactions. Pursuant to Section 6, "Section 103 of the Ethics in Government Act of 1978 (5 U.S.C. App. 103) is amended by adding at the end the following subsection: '(l) Not later than 30

³ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Suozzi, Oct. 21, 2021.

⁴ According to the Resolution, the Board must vote (as opposed to make a written authorization) on whether to conduct a second-phase review in a matter before the expiration of the 30-day preliminary review. If the Board votes for a second phase, the second phase commences the day after the preliminary review ends.

⁵ Letter from Omar S. Ashmawy, Chief Counsel and Staff Dir., Office of Cong. Ethics, to Rep. Suozzi, Nov. 19, 2021.

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days after receiving notification of any transaction required to be reported under section 102(a)(5)(B), but in no case later than 45 days after such transaction, the following persons, if required to file a report under any subsection of section 101, subject to any waivers and exclusions, shall file a report of the transaction: ... (9) A Member of Congress.”

Ethics in Government Act of 1978, 5 U.S.C. app. §§ 101(d), (f), Individuals Required to File Reports

“(d) Any individual who is an officer or employee described in subsection (f) during any calendar year and performs the duties of his positions or office for a period in excess of sixty days in that calendar year shall file on before May 15 of the succeeding year a report containing the information described in section 102(a).

...

(f) The officers and employees referred to in subsections (a), (d), and (e) are –

...

(9) a Member of Congress as defined under section 109(12).”

Ethics in Government Act of 1978, 5 U.S.C. app. §§ 102(a)(5), The Contents of the Report

“(5) Except as provided in this paragraph, a brief description, the date, and category of value of any purchase, sale or exchange during the preceding calendar year which exceeds \$1,000 –

...

(B) in stocks, bonds, commodities futures, and other forms of securities.”

Ethics in Government Act of 1978, 5 U.S.C. app. § 103(l), PTR Filing Timing

“(l) Not later than 30 days after receiving notification of any transaction required to be reported under section 102(a)(5)(B), but in no case later than 45 days after such transaction, the following persons, if required to file a report under any subsection of section 101, subject to any waivers and exclusions, shall file a report of the transaction:

...

(9) A Member of Congress, as defined under section 109(12).

...

(10) An officer or employee of the Congress, as defined under section 109(13).”

Ethics in Government Act of 1978, 5 U.S.C. app. §104, Failure to File or Filing False Reports

“(a)(1) The Attorney General may bring a civil action in any appropriate United States district court against any individual who knowingly and willfully falsifies or who knowingly and willfully fails to file or report any information that such individual is required to report pursuant to section 102. The court in which such action is brought may assess against such individual a civil penalty in any amount, not to exceed \$50,000.

(2)(A) It shall be unlawful for any person to knowingly and willfully—

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(i) falsify any information that such person is required to report under section 102; and
(ii) fail to file or report any information that such person is required to report under section 102.

(B) Any person who-

(i) violates subparagraph (A)(i) shall be fined under title 18, United States Code, imprisoned for not more than 1 year, or both; and
(ii) violates subparagraph (A)(ii) shall be fined under title 18, United States Code.

(b) The head of each agency, each Secretary concerned, the Director of the Office of Government Ethics, each congressional ethics committee, or the Judicial Conference, as the case may be, shall refer to the Attorney General the name of any individual which such official or committee has reasonable cause to believe has willfully failed to file a report or has willfully falsified or willfully failed to file information required to be reported.

...

(d)(1) Any individual who files a report required to be filed under this title more than 30 days after the later of-

(A) the date such report is required to be filed pursuant to the provisions of this title and the rules and regulations promulgated thereunder; or

(B) if a filing extension is granted to such individual under section 101(g), the last day of the filing extension period, shall, at the direction of and pursuant to regulations issued by the supervising ethics office, pay a filing fee of \$200. . . .

(2) The supervising ethics office may waive the filing fee under this subsection in extraordinary circumstances."

13. House Rules

House Rule 26, clause 2 states: "For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be considered Rules of the House as they pertain to Members, Delegates, the Resident Commissioner, officers, and employees of the House."

14. House Ethics Committee Guidance: Instruction Guide for 2020 Financial Disclosure Statements and Periodic Transaction Reports

a. Overall PTR Filing Guidance

*The House Committee on Ethics 2020 Instruction Guide for Financial Disclosure Statements and Periodic Transaction Reports ("Instruction Guide") specifies when Members of Congress, officers, and employees compensated at the senior staff level are required to file PTRs. The Instruction Guide provides that "[q]ualifying transactions must be reported on a PTR **within 30 days of [a Member, officer, or senior staff employee] becoming aware of the transaction, but no later than 45 days after the transaction.**"*⁶

⁶ Comm. on Ethics, Instruction Guide: Financial Disclosure Statements and Periodic Transaction Reports (CY 2020) at 5 (emphasis in original) (hereafter, "Instruction Guide").

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Regarding “qualifying transactions,” the Instruction Guide explains “you must report on a PTR each purchase, sale, or exchange involving **stocks, bonds, commodities futures, or other securities owned wholly or in part by you, your spouse, or your dependent child when the amount of the transaction exceeds \$1,000.**”⁷

The Instruction Guide explains, “[t]he reporting threshold for disclosure of transactions is reached when the gross amount of a single purchase or sale transaction exceeds \$1,000. This includes transactions that result in a net loss. Thus, a sale transaction of an asset for \$5,000 for which you previously paid \$7,000 must be disclosed even though it resulted in a \$2,000 net loss.”⁸

The Instruction Guide also explains that “each individual is responsible for the completeness and accuracy of the information contained in the individual’s FD Statement or PTR, even if someone else prepared, or assisted in preparing, all or part of it.”⁹ It further explains that “[t]he EIGA provides that the Attorney General may pursue either civil or criminal penalties against an individual who knowingly and willfully falsifies a Statement or fails to file a Statement required by the EIGA.”¹⁰

Additionally, the Instruction Guide emphasizes that “[y]ou must sign and date the PTR . . . after completing it. By your signature, you are certifying that the report is true, complete, and correct to the best of your knowledge and belief. Additionally, you must certify that you have disclosed all transactions as required by the STOCK Act as of the date of your signature. This page must be signed by you personally, not by someone acting on your behalf, even if someone else prepared or assisted you in completing the PTR. Any individual who knowingly and willfully falsifies, or who knowingly and willfully fails to file, a required PTR may be subject to civil and criminal penalties, including incarceration and/or a fine pursuant to 5 U.S.C. app. § 104, and criminal sanctions under 18 U.S.C. § 1001.”¹¹

b. Late Filing Fines

Regarding late filings, the Instruction Guide provides a fine schedule for late filed PTRs and also designates a grace period in which those fines will not be imposed by the Committee.¹²

Specifically, the Instruction Guide states:

An individual who files an FD Statement or any Amendment requested by the Committee to a Statement or PTR more than 30 days after the later of (1) the date the report or amendment is required to be filed, or (2) the last day of any filing extension period that has been granted, must pay a late filing fee of \$200.

⁷ *Id.* at 41 (emphasis in original).

⁸ *Id.* at 42 (emphasis in original).

⁹ *Id.* at 9.

¹⁰ *Id.*

¹¹ *Id.* at 43.

¹² *Id.* at 7-8 (providing example applications of the “30-day grace period.”).

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For late PTRs, the following late fee policy applies:

1st late PTR filing (no matter how many missed transactions): \$200.

2nd to 4th late PTR filings: \$200 for each month in which a filer had a late transaction. For example, if the filer failed to file timely reports for transactions that were executed in January, April, and July, but instead reported all such transactions on one PTR in October, then \$600 in late fees is owed. (Transactions filed late in 3 months at \$200 each.)

5th late PTR and beyond: \$200 for each late transaction. For example, if the filer failed to file timely reports for 15 transactions, then \$3,000 in late fees is owed. (15 transactions reported late at \$200 each.)¹³

Regarding late filing fees, the Instruction Guide further explains that:

*The late filing fee shall be paid by check or money order made **payable to the United States Treasury** and submitted to the Clerk at the Legislative Resource Center. Payment of the fee does not preclude the Committee from taking other disciplinary action authorized by law or the rules of the House of Representatives.*

The Committee has authority to waive the fee, but only in extraordinary circumstances. Fee waiver requests must be directed in writing to the Chair of the Committee, signed by the filer, and state the circumstances believed to justify the waiver. . . . In no case will the request, or the Committee's response, be made publicly available.

Any report that is submitted more than 30 days after the due date without the required late filing fee shall be deemed procedurally deficient and not properly filed. Thus, you must submit the late filing fee at the time you file your report. The fee will be deposited immediately unless a fee waiver is requested at the time of filing, in which case it will be held by the Clerk and not be deposited until the Committee acts on the fee waiver request. If the fee waiver is granted, your check or money order will be returned to you by the Clerk of the House.¹⁴

c. Managed Accounts

*According to the Instruction Guide, “**Purchase and sale transactions involving assets held within managed accounts, brokerage accounts, and retirement accounts, such as 401(k) plans and IRAs, must be disclosed.** For example, if you have a 401(k) plan and direct the plan administrator to sell or purchase stocks, bonds, or other securities, you must separately disclose on a PTR each of these transactions valued over \$1,000. Transfers between currently-held assets within these accounts are also considered purchases and sales transactions for financial disclosure purposes. These types of transfers are commonly referred to as reallocation or rebalancing of funds.”*¹⁵

¹³ *Id.* at 7 (emphasis in original).

¹⁴ *Id.* at 8 (emphasis in original).

¹⁵ *Id.* at 41-42 (emphasis in original).

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15. House Ethics Committee Guidance: Pink Sheets

*In an August 17, 2012 Memorandum regarding Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended, following the passage of the STOCK Act, the Committee explained, “[e]ven if you do not find out about a transaction until after the 45-day deadline, by statute, the PTR is late. Subject to a 30-day grace period, any required late fee must be attached to the late report, but you may simultaneously seek a waiver of that fee, as discussed below under ‘Late Filing Fee.’”¹⁶ The same Memorandum states, “**No extensions of the 30- or 45-day time limits will be allowed.** No such extensions are permitted by the terms of the STOCK Act.”¹⁷*

*The August 17, 2012 Memorandum explains, “**You are responsible for alerting your broker, investment advisor, trustee, or anyone else who makes reportable transactions on your behalf, or on behalf of your spouse or dependent children, that they must inform you of any reportable transaction in a timely fashion.** For example, if you currently receive only quarterly statements from your broker, you may need to change to monthly reports to meet the PTR filing requirement.”¹⁸*

*In a January 23, 2013 Memorandum regarding Change to Financial Disclosure Reporting Obligations and Reminder Regarding Periodic Transaction Reporting Requirement, the Committee stated: “**IMPORTANT:** For previous filings, if the filer did not direct an investment or retirement account the filer could state on the filing that the account was “not self directed” and then not list the holdings or transactions. With this change in guidance, the holdings and transactions must be reported for all investment and retirement accounts on future FD Statements and PTRs.”¹⁹*

16. House Ethics Committee Guidance: Committee Reports

In the Matter of Allegations Relating to Representative Vernon G. Buchanan, the Committee noted that inadvertent errors and omissions “are not uncommon” in financial disclosure statements.²⁰ When a filer fully and accurately remedies disclosures errors or omissions and pays a fine (when warranted), the Committee will generally take no additional action.²¹ However, the Committee described concern with respect to errors and omissions that are not properly remedied, “are knowing or willful, or appear to be significantly related to other

¹⁶ Comm. on Ethics, Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended, August 17, 2012 at 11. The Memorandum explains, “**Any PTR that is submitted more than 30 days after the due date without the required late filing fee shall be deemed procedurally deficient and not properly filed.** Thus, you must submit the late filing fee at the time you file your PTR. The fee will be deposited immediately unless a fee waiver is requested at the time of filing, in which case it will not be deposited until the Committee acts on the fee waiver request. If the fee waiver is granted, your check or money order will be returned to you by Clerk of the House.” *Id.* at 13 (emphasis in original).

¹⁷ *Id.* (emphasis in original).

¹⁸ *Id.* at 11 (emphasis in original).

¹⁹ Comm. on Ethics, Memorandum regarding Change to Financial Disclosure Reporting Obligations and Reminder Regarding Periodic Transaction Reporting Requirement, Jan. 23, 2013 at 3 (emphasis in original).

²⁰ Comm. on Ethics, *In the Matter of Allegations Relating to Representative Vernon G. Buchanan*, 112th Cong., 2nd Sess. (July 10, 2012) at 5.

²¹ *Id.* at 1-2, 5-6.

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potential violations.”²² The Committee went on to explain that “accurate and complete reporting on Financial Disclosure Statements should be every filer’s goal and is necessary to be in compliance with House Rules and federal law. All filers are encouraged to promptly file amendments whenever they learn of errors or omissions. Failure to do so may constitute a knowing and willful violation.”²³

B. The STOCK Act and PTR Filing Requirements: Purpose, Enforcement, Training, and Guidance

17. Title I of the Ethics in Government Act of 1978, as amended, requires Members of the U.S. House of Representatives to file publicly available annual financial disclosure reports with the Clerk of the House.²⁴ The annual disclosures filed under the EIGA must report securities transactions valued over \$1,000 from the calendar year.²⁵ Through the annual financial disclosure process, a year-and-a-half may pass between a transaction and the public disclosure filing deadline.
18. The Stop Trading on Congressional Knowledge Act of 2012, the STOCK Act, amended the EIGA to address concerns of insider trading in Congress by requiring that Members publicly report certain securities transactions with greater frequency.²⁶
19. In several reviews during the 117th Congress, the OCE examined allegations regarding the STOCK Act and untimely transaction reporting.

i. The STOCK Act Requires Prompt Transaction Reporting

20. To address the potential misuse of nonpublic information for private gain, the STOCK Act requires that Members of Congress publicly report certain financial transactions involving stocks, bonds, and other securities shortly after they occur through Periodic Transaction Reports (“PTRs”).²⁷ The STOCK Act purposefully shortened the period of public disclosure for certain transactions to allow the public and the Securities and Exchange Commission

²² *Id.* at 5.

²³ *Id.* at 6.

²⁴ See 5 U.S.C. app. §§ 101, et. seq.

²⁵ 5 U.S.C. app. § 102.

²⁶ The Stop Trading on Congressional Knowledge Act of 2012, Pub. L. No. 112-105, 126 Stat. 291 (2012), P.L. 112-105 (“STOCK Act”). Discussing information gained in the performance of official duties, the STOCK Act specifically prohibits Members of Congress from engaging in insider trading by “clarifying that a Member of Congress and an employee of Congress may not use nonpublic information derived from such person’s position as a Member of Congress or employee of Congress or gained from the performance of such person’s official responsibilities as a means for making a private profit.” STOCK Act, Sec. 3. The STOCK Act explains, “each Member of Congress or employee of Congress owes a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States with respect to material, nonpublic information derived from such person’s position as a Member of Congress or employee of Congress or gained from the performance of such person’s official responsibilities.” *Id.*, Sec. 4. See also CRS Report, Jack Maskell, *The STOCK Act, Insider Trading, and Public Financial Reporting by Federal Officials*, April 18, 2013.

²⁷ 5 U.S.C. app. § 103 (l).

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21. Specifically, Members must file a PTR 30 days after receiving notification of a reportable transaction.²⁹ Regardless of the timing of when a Member learns of a trade, all reportable transactions must be disclosed by 45 days after such transaction.³⁰ Failure to report a trade within 30 days of notification or 45 days of the actual transaction is a violation of the STOCK Act, even if a Member learns of the trade after the 45-day deadline.
22. As a result of the 30-day-from-notification and 45-day-from-transaction filing window, the filing deadline for PTRs is context specific and hinges on both the notification date and the date of the specific transaction. While in some cases a PTR must be filed 30 days after the transaction, in other cases it may be filed up to 15 days later.
23. Timely public disclosure of stock transactions in PTRs helps the public evaluate and ensure that Members are not using confidential information gained through their official duties for their own private gain. Delay in reporting pursuant to these statutory guidelines undermines this transparency and violates the STOCK Act.³¹

²⁸ During Senate consideration of the STOCK Act, Senator Joseph Lieberman joined Senator Susan Collins in discussing the law. Senator Lieberman explained, “our committee decided the STOCK Act should require Members of Congress and their staffs to file public reports on our purchases or sale of stocks, bonds, commodities, futures, or other financial transactions exceeding \$1,000 in value within 30 days of the transaction. Right now, as the Acting President of the Senate knows, these trades are reported once a year in our annual disclosure statements. This proposal would change that to within 30 days of the trade. More timely reporting of this kind will allow not just the SEC but the public to assess whether there is anything suspicious or wrong about the timing of the trade and conduct in the Senate. That kind of real transparency will be an additional deterrent to unethical or illegal behavior.” Senator Joseph Lieberman (CT). “Stop Trading on Congressional Knowledge Act – Motion to Proceed.” Congressional Record 158:14 (Jan. 30, 2012) at S143.

²⁹ 5 U.S.C. app. § 103.

³⁰ As such, if the Member of Congress receives notice of the transaction 10 days after it occurred, then the Member must file a PTR by the 40th day after the transaction. However, if the Member of Congress received notice of the transaction 20 days after it occurred, then the Member still must report it by the 45th day after the transaction. If the Member never received notice, the Member is still responsible for reporting any such transaction by the 45th day after the transaction occurred.

³¹ During Senate consideration of the STOCK Act, Senator Susan Collins explained that the legislation, “includes earlier deadlines for financial reporting requirements and greater transparency for financial disclosure statements, as the chairman mentioned, by requiring that they be available online and in a searchable format. I believe we need to reassure a skeptical public that we understand that elective office is a place for public service, not private gain; that it is an honor and a trust we have been given by the people we represent.” Senator Susan Collins (ME). “Stop Trading on Congressional Knowledge Act – Motion to Proceed.” Congressional Record 158:14 (Jan. 30, 2012) at S144.

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ii. Transaction Reporting Enforcement and Fines

24. The EIGA sets forth fines for failing to file PTRs regardless of whether the violations were accidental, negligent, or knowing and willful.³² In the House of Representatives, the Committee is responsible for enforcing the STOCK Act's reporting requirements.³³
25. Although all late filings are violations, the EIGA provides a 30-day grace period following the required disclosure date before assessing fines on late PTR disclosures.³⁴ Similar to the date when a Member must file, the application of the grace period is context specific and depends on when the Member was required to report the transaction within the 30- to 45-day window.³⁵
26. While the grace period may excuse a fine, regardless of the grace period, any individual who fails to file a PTR for a reportable transaction within the 30- to 45-day reporting window has violated the STOCK Act.
27. The Committee publishes a fine schedule for violations with fine amounts increasing in severity for repeated omissions.³⁶ Additionally, Committee guidance states that "[a]ny PTR that is submitted more than 30 days after the due date without the required late filing fee shall be deemed procedurally deficient and not properly filed."³⁷ This means that any PTR filing submitted after the grace period must be accompanied by a fine payment.
28. While information about the payment of fines by Members is not publicly available, the OCE found conflicting evidence about whether the Committee informs Members of the requirement to pay fines or only collects fines when Members proactively decide to pay them. The OCE found that some Members who filed late PTRs were never directed to pay a fine. The OCE also found that the Committee has been inconsistent in the manner in which it has calculated and assessed fines.

iii. PTR Training and Guidance

29. In addition to enforcing the STOCK Act and fining violators, the Committee is also tasked with training Members on their disclosure obligations. Since January 2015, all Members of Congress receive ethics training from the Committee within 60 days of when they are first sworn in and, since January 2019, are required to receive additional training annually.³⁸

³² 5 U.S.C. app. § 104.

³³ *Id.* The EIGA requires that the Committee refer willful violations of the STOCK Act reporting requirements to the Attorney General for prosecution.

³⁴ *Id.*

³⁵ For example, an individual who receives notification on the day a transaction occurred has 30 days to file a PTR. If the PTR is not filed within the additional 30-day grace period—60 days total after the transaction—that individual should be fined pursuant to the STOCK Act. In contrast, an individual who is required to file a PTR 45 days after a transaction, must file by 75 days after the transaction to avoid a fine pursuant to the grace period.

³⁶ Instruction Guide at 7.

³⁷ Comm. on Ethics, Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended, Aug. 17, 2012 at 13 (emphasis omitted).

³⁸ House Rule 11, clause 3(a)(6)(A); House Rule 11, clause 3(a)(6)(B)i. The requirement for annual Member training was added to the House rules in the 2019 at the beginning of the 116th Congress. Comm. on Ethics,

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30. The Committee provided the OCE with both copies of recent presentations for Members-Elect, and the annual trainings for Members.³⁹ While none of the presentation slides go into extensive detail about the PTR filing process, all the presentations place Members on notice that the STOCK Act applies to them and that they are required to file PTRs.⁴⁰ Nevertheless, the OCE found that some Members did not leave the trainings with clarity about how PTR filing requirements applied to their financial arrangements.⁴¹
31. In addition to routine ethics training, guidance for Members and staff on PTRs is published on the Committee's website and has been disseminated through "pink sheets" since 2012.⁴² Reminders about these obligations are also routinely sent to Members and staff through House electronic "Dear Colleague" alerts.⁴³
32. Finally, the OCE notes that there has been widespread media coverage and press attention to issues related to the STOCK Act, placing Members and the public on notice about the applicability of the law in Congress.

Memorandum regarding Reminder About Annual Ethics Training Requirements for 2019, Nov. 26, 2019. The new Member training requirement was added in 2015 at the beginning of the 114th Congress. Hannah Hess, *House Mandates 1 Hour of Ethics Training for Freshman Class*, ROLL CALL, Jan. 7, 2015, <https://rollcall.com/2015/01/07/house-mandates-1-hour-of-ethics-training-for-freshman-class/>.

³⁹ See, e.g. Comm. on Ethics, Training for Members on Ethics Laws, Rules, and Standards of Conduct, 117th Cong. (Exhibit 1 at 21-6367_0002); Comm. on Ethics, Ethics Training for Members-Elect, 117th Cong. (Exhibit 2 at 21-6367_0042); Comm. on Ethics, Training for House Members on Ethics Laws, Rules, and Standards of Conduct, 116th Cong. (Exhibit 3 at 21-6367_0080); Comm. on Ethics, Training for Members on Ethics Laws, Rules, and Standards of Conduct, 116th Cong. (Exhibit 4 at 21-6367_0120); Comm. on Ethics, Ethics Training for Members-Elect, 116th Cong. (Exhibit 5 at 21-6367_0160).

⁴⁰ The Members-Elect training states, "You must file a PTR *not more than 45 days* from the date of the transaction." *Id.* (emphasis in original). However, the OCE notes that in some cases, the PTR must be filed 30 days from the date of the transaction.

⁴¹ These trainings provide a high-level overview of a wide range of important ethics issues in a short period of time. This likely reflects the allotted time period provided by the House for such training, particularly during a busy new Member orientation. Multiple Members told the OCE that they failed to file PTRs because they believed they did not need to report transactions in investment accounts managed by brokers for which they were not involved in daily trading decisions. While the obligations for broker managed accounts were not explicitly addressed in the ethics training slides that the OCE reviewed, this obligation is discussed in the Instruction Guide and other Committee guidance, and it is clear in that guidance that these types of trades must be disclosed.

⁴² See, e.g. Instruction Guide; Comm. on Ethics, Memorandum regarding Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirement, June 11, 2020; Comm. on Ethics, Memorandum regarding Change to Financial Disclosure Reporting Obligations and Reminder Regarding Periodic Transaction Reporting Requirement, Jan. 23, 2013; Comm. on Ethics, Memorandum regarding Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended, Aug. 17, 2012.

⁴³ See, e.g., Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirements, June 11, 2020, <https://e-dearcolleague.house.gov/Home/Preview?DCID=302800>; Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding Reminder of Ethics Requirements for Financial Disclosure Filers, Feb. 8, 2019, <https://e-dearcolleague.house.gov/Home/Preview?DCID=249534>; Comm. on Ethics, e-Dear Colleague The 2018 Outside Earned Income Limits and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions Applicable to House Officers, Jan. 5, 2018, <https://e-dearcolleague.house.gov/Home/Preview?DCID=224015>; Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding the 2017 Outside Earned Income Limit and Salary Thresholds, Jan. 13, 2017, <https://e-dearcolleague.house.gov/Home/Preview?DCID=200237>.

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33. In several OCE reviews, each related to the STOCK Act and PTR filings, the OCE asked the Members involved to sign waivers releasing to the OCE all documents and communications with the Committee related to PTRs and financial disclosure reports. All but one review subject provided such release. For the Members who completed the waivers, the OCE then requested the Committee provide such documents and communications, in addition to ethics training presentations and materials, and training attendance records. The Committee provided recent training presentations; however, it did not provide the additional materials to the OCE, citing a House rule requiring an affirmative vote of the majority of Committee Members to authorize release, which it presumably did not take in spite of the requests of the Members.⁴⁴
34. In several of the reviews mentioned above, the OCE found that in spite of training, guidance, and media coverage, many Members of Congress frequently misunderstand or ignore their duties under the STOCK Act resulting in repeated failure to report their transactions within the 30-to-45-day window. While these reviews examined violations involving specific Members, the issue of STOCK Act non-compliance is pervasive and reflects a culture of delayed filing contrary to the transparency aims of the law.⁴⁵ In some cases, the non-compliance points to negligence or lack of care on the part of the Members with regards to their statutory obligations. In other instances, it points to ignorance of their statutory responsibilities and may indicate a need for more robust guidance, training, and enforcement by the House to ensure that the STOCK Act is taken seriously by those to whom it applies, and that its transparency goals to prevent misuse of congressional knowledge for private gain are realized.

C. Rep. Suozzi's PTR Compliance

35. Rep. Suozzi was elected in November 2016 and was sworn in as a Member of Congress on January 3, 2017.⁴⁶ Rep. Suozzi owns and trades securities, which requires him to file PTRs pursuant to the STOCK Act.
36. Witness 1 is Rep. Suozzi's accountant to whom Rep. Suozzi delegated complete responsibility for his financial disclosure and PTR reporting obligations.⁴⁷ Witness 1 has held this responsibility ever since Rep. Suozzi took office.⁴⁸
37. Rep. Suozzi reported hundreds of stock transactions on Schedule B of his annual financial disclosures from 2017 through 2020, but until September 2021, Rep. Suozzi had never filed corresponding PTRs.⁴⁹ This meant that while Rep. Suozzi's transactions were reported on a

⁴⁴ House Rule XI, cl. 3(g)(1)(F).

⁴⁵ See, e.g., Dave Levinthal, *54 Members of Congress Have Violated a Law Designed to Stop Insider Trading and Prevent Conflicts of Interest*, INSIDER, Jan. 11, 2022, <https://www.businessinsider.com/congress-stock-act-violations-senate-house-trading-2021-9>.

⁴⁶ Press Release, Rep. Suozzi Wraps Up First Week in Office (Jan. 10, 2017), <https://suozzi.house.gov/media/press-releases/rep-suozzi-wraps-first-week-office>.

⁴⁷ Transcript of Witness 1, ("Witness 1 Transcript"), Jan. 12, 2022 (Exhibit 6 at 21-6367_0206).

⁴⁸ *Id.* (Exhibit 6 at 21-6367_0204).

⁴⁹ Rep. Suozzi 2020 Annual Financial Disclosure Report, filed Aug. 12, 2021; Rep. Suozzi 2019 Annual Financial Disclosure Report, filed Aug. 13, 2020; Rep. Suozzi 2018 Annual Financial Disclosure Report, filed Aug. 12, 2019;

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yearly basis, Rep. Suozzi did not provide the public with the degree of timely transparency that is required by the STOCK Act.

38. On September 23, 2021, Rep. Suozzi filed a corrective PTR disclosing 453 transactions, from January 2017 through August 2021, valued between \$6 million and \$19 million.⁵⁰ Rep. Suozzi publicly acknowledged his failure to file timely PTRs, and explained that his failures were based on a misunderstanding of the applicability of the PTR requirements to his independently managed investment accounts.⁵¹
39. Rep. Suozzi cooperated fully with this review, including providing extensive financial statements and transaction records for his financial accounts, which include a Merrill Lynch investment account, a National Securities investment account, and an Individual Retirement Account.⁵² Likewise, Rep. Suozzi's accountant, Witness 1 — who managed all of Rep. Suozzi's disclosures — fully cooperated with this review.
40. Even after Rep. Suozzi publicly acknowledged his failure to file PTRs for a four-half-year-period, in reviewing Rep. Suozzi's financial records, the OCE identified an additional 31 reportable transactions that Rep. Suozzi failed to publicly disclose.⁵³
41. The OCE initiated this review to examine the reason for Rep. Suozzi's untimely filings and his overall STOCK Act compliance.
- i. Rep. Suozzi's Misinterpretation of the STOCK Act's Requirements
42. The OCE found that Rep. Suozzi delegated responsibility for his financial disclosure obligations to Witness 1, his personal accountant.⁵⁴ Therefore, both Rep. Suozzi and Witness 1's misunderstanding of the reporting requirements pursuant to the STOCK Act played into Rep. Suozzi's repeated filing omissions.
43. In both public statements to the press by his congressional staff and by Witness 1, Rep. Suozzi stated that he did not file PTRs before September 2021 because of a misunderstanding of the STOCK Act requirements as they pertain to broker managed investment accounts.

Rep. Suozzi 2017 Annual Financial Disclosure Report, filed Aug. 13, 2018. A limited number of these transactions reported on Rep. Suozzi's annual disclosures may have involved assets, such as ETFs or mutual funds, which would not require PTR filings.

⁵⁰ Rep. Suozzi, Periodic Transaction Report, filed Sept. 23, 2021.

⁵¹ Tom Burne, *Suozzi acknowledges failing to file stock transaction reports*, NEWSDAY, Sept. 24, 2021, <https://www.newsday.com/news/nation/tom-suozzi-stocks-campaign-legal-center-1.50370115>.

⁵² Merrill Lynch Account Records (September 2017-October 2021); National Securities Investment Account Records (January 2017-October 2021); Rep. Suozzi IRA Account Records (May 2018-April 2020). These financial records are on file with the OCE and are referred to collectively as "Rep. Suozzi Investment Account Records."

⁵³ See discussion *infra* Part II.C.iv.

⁵⁴ See discussion *infra* Part II.C.v.2.

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44. Rep. Suozzi explained to the OCE that all of his investments are managed by a broker, and that during his time in Congress he has never directed a specific trade or made a trade individually without a broker.⁵⁵
45. Specifically, Witness 1 told the OCE in a letter, “Congressman Suozzi and I were under the mistaken impression that because the [C]ongressman’s brokerage accounts were solely managed at the discretion of the brokers, we were only required to file an annual disclosure and not periodic transaction reports.”⁵⁶ Rep. Suozzi reiterated this statement in his interview with the OCE.⁵⁷ The OCE notes that the Committee’s Instruction Guide clearly explains that all reportable transactions, including those in broker managed accounts, must be disclosed through PTRs.⁵⁸
46. However, when asked about the letter to the OCE during an interview, Witness 1 indicated the statement in his letter was not accurate. He told the OCE that the reason the PTRs were not filed was not because of a misunderstanding regarding broker managed accounts, but because Witness 1 was not aware of the STOCK Act and of Rep. Suozzi’s obligation to file the transaction reports.⁵⁹
47. Witness 1 stated that he thought the annual financial disclosures required of Members were sufficient to meet Rep. Suozzi’s financial disclosure obligations.⁶⁰ He acknowledged that prior to his interaction with the OCE, he “really wasn’t familiar with [the STOCK Act] at all.”⁶¹ Witness 1 also explained that he never fully reviewed the Committee’s Instruction Guide and had never received any training on the STOCK Act; nor had he received any specific guidance from Rep. Suozzi about PTR filings.⁶²

ii. Participation in Committee Annual Financial Disclosure Pre-Clearance

48. As discussed above, while Rep. Suozzi failed to file PTRs for over four and a half years, he did file annual financial disclosure reports that disclosed transactions.⁶³ Rep. Suozzi and Witness 1 both emphasized that these Schedule B disclosures demonstrate they were not trying to conceal any information or engage in misconduct.⁶⁴ They also emphasized that the Committee failed to identify the missing PTRs despite Rep. Suozzi having availed himself —

⁵⁵ Transcript of Rep. Suozzi (“Rep. Suozzi Transcript”), Jan. 13, 2022 (Exhibit 7 at 21-6367_0247).

⁵⁶ Letter from Witness 1 to Sean Quinn, Investigative Counsel, OCE, November 5, 2021 (Exhibit 14 at 21-6367_0340-0341).

⁵⁷ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0252).

⁵⁸ Instruction Guide at 15, 41-42.

⁵⁹ Witness 1 Transcript (Exhibit 6 at 21-6367_0216-17).

⁶⁰ *Id.* (Exhibit 6 at 21-6367_0217).

⁶¹ *Id.* (Exhibit 6 at 21-6367_0211).

⁶² *Id.* (Exhibit 6 at 21-6367_0234-35).

⁶³ Rep. Suozzi 2020 Annual Financial Disclosure Report, filed Aug. 12, 2021; Rep. Suozzi 2019 Annual Financial Disclosure Report, filed Aug. 13, 2020; Rep. Suozzi 2018 Annual Financial Disclosure Report, filed Aug. 12, 2019; Rep. Suozzi 2017 Annual Financial Disclosure Report, filed Aug. 13, 2018.

⁶⁴ Witness 1 Transcript (Exhibit 6 at 21-6367_0216-17); Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0252-53).

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49. The Committee allows Members to submit their annual financial disclosures to the Committee to be “pre-screened” for any errors before filing.⁶⁶
50. Witness 1 submitted draft financial disclosures to the Committee for each year that Rep. Suozzi was required to file, for the year 2016 to the present.⁶⁷ While the Committee suggested various corrections to Rep. Suozzi’s annual financial disclosures, it did not raise the issue of missing PTRs during the 2017 or 2019 pre-clearance review. However, as explained in further detail below, the Committee did explicitly identify the fact that Rep. Suozzi had not filed PTRs during the 2018 and 2020 pre-screening.⁶⁸ It was the 2020 pre-screen that eventually led Rep. Suozzi to begin filing PTRs.⁶⁹

iii. Notice of the STOCK Act’s Application to Members

51. While Rep. Suozzi and his accountant claim they were never aware of, or fully understood, their obligations to file PTRs, the evidentiary record reflects that neither individual took reasonable steps to determine how the STOCK Act applied to Rep. Suozzi. Additionally, given the new Member ethics training, annual ethics training, and Committee correspondence, both individuals were on notice and should have known of the need to file PTRs.
52. As stated above, Rep. Suozzi was elected to the House in 2016, taking office in January 2017. Accordingly, he received new Member ethics training within 60-days of taking office that included information about the STOCK Act and the requirement to file PTRs.⁷⁰ Since 2019, Rep. Suozzi has received annual ethics training that also included information detailing a Member’s obligations under the STOCK Act.⁷¹
53. In addition to the training Rep. Suozzi received, documentary evidence shows that the Committee highlighted Members’ STOCK Act obligations in numerous communications sent to all Members and, at least twice, individually alerted Witness 1 or his employees that Rep. Suozzi did not appear to be filing PTRs when required.
54. Rep. Suozzi produced emails from his congressional email account that showed he had received at least three e-Dear Colleague communications that specifically addressed Members’ need to file PTRs.⁷² Those email communications were sent on January 13, 2020,

⁶⁵ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0253); Witness 1 Transcript (Exhibit 6 at 21-6367_0222-23).

⁶⁶ Comm. on Ethics, *FAQs About Financial Disclosure*, <https://ethics.house.gov/financial-disclosure/faqs-about-financial-disclosure> (last visited Feb. 10, 2022).

⁶⁷ Witness 1 Transcript (Exhibit 6 at 21-6367_0218); Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0254).

⁶⁸ See *infra* Part II.C.iii.

⁶⁹ Witness 1 Transcript (Exhibit 6 at 21-6367_0209). Rep. Suozzi’s recollection was that he first learned of his obligation to file PTRs following a press story. See Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0258-59).

⁷⁰ See *supra* Part II.B.iii.

⁷¹ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0250-51); see *supra*, Section II.B.iii.

⁷² Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding The 2020 Outside Earned Income Limit and Salaries Triggering Financial Disclosure Requirements and Post-

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February 8, 2021, and April 26, 2021, and generally addressed financial disclosure requirements and deadlines.⁷³ On at least one occasion, Rep. Suozzi forwarded an e-Dear Colleague email discussing PTR requirements to Witness 1.⁷⁴ However, Witness 1 told the OCE that he did not fully read the email and thought it only pertained to annual financial disclosures.⁷⁵

55. Additionally, on at least two occasions, the Committee emailed Witness 1's staff to inform them, during the above-mentioned pre-screening process, that Rep. Suozzi needed to file PTRs for securities transactions he had identified in his annual financial disclosures.⁷⁶
56. In the first instance, in an August 2, 2019 email to one of Witness 1's employees, the Committee wrote, "[c]ertain transactions reported on Schedule B should have also been reported in Periodic Transaction Reports throughout the year. The Congressman will need to file retroactive PTRs for the majority of the items listed on Sch. B. (happy to walk you through this via phone)."⁷⁷
57. Rep. Suozzi produced this email to the OCE through Witness 1. Witness 1 stated that the email was sent to an accountant working under Witness 1 who did not understand the importance of the email and never forwarded it to him.⁷⁸ Instead, the email was discovered as Witness 1 was collecting documents in response to the OCE's document requests.⁷⁹
58. The Committee's second attempt to alert Witness 1 of Rep. Suozzi's missing PTRs succeeded. On August 10, 2021, Committee staff emailed another accountant working under Witness 1 and detailed five issues that had been identified in Rep. Suozzi's draft 2020 annual financial disclosure.⁸⁰ Committee staff wrote the following about the fifth issue: "PTRs are not been filed [sic] to disclose stock transactions from 2020 and prior years."⁸¹

Employment Restrictions Applicable to House Officers and Employees, Jan. 13, 2020 (Exhibit 8 at 21-6367_0273-78); Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding The 2021 Outside Earned Income Limit and Salaries Triggering the Financial Disclosure Requirement and Post-Employment Restrictions, Feb. 8, 2021 (Exhibit 9 at 21-6367_0280-86); Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding Upcoming Disclosure Filing Deadline & Automatic Extension, Apr. 26, 2021 (Exhibit 10 at 21-6367_0288-91).

⁷³ *Id.* Another e-Dear Colleague communication was sent on June 11, 2021, which specifically and exclusively addressed STOCK Act requirements. A search of Rep. Suozzi's email did not uncover this email, but, as it was sent to all Members, and it seems likely that Rep. Suozzi deleted the email sometime after he received it. *See* Comm. on Ethics, e-Dear Colleague Memorandum for All Members, Officers, and Employees regarding Reminder of STOCK Act Requirements, Prohibition Against Insider Trading & New Certification Requirements, June 11, 2020, <https://e-dearcolleague.house.gov/Home/Preview?DCID=302800>

⁷⁴ Email from Rep. Suozzi to Witness 1, April 26, 2021 (Exhibit 11 at 21-6367_0293).

⁷⁵ Witness 1 Transcript (Exhibit 6 at 21-6367_0215).

⁷⁶ Email from Committee Staffer to Witness 1, August 10, 2021 (Exhibit 12 at 21-6367_0298-99); Email from Jessica Baker to Taylor Flemming, August 6, 2019 (Exhibit 13 at 21-6367_0335-38).

⁷⁷ Email from Jessica Baker to Taylor Flemming, August 6, 2019 (Exhibit 13 at 21-6367_0335-38).

⁷⁸ Witness 1 Transcript (Exhibit 6 at 21-6367_0221).

⁷⁹ Letter from Witness 1 to Sean Quinn, Investigative Counsel, OCE, November 5, 2021 (Exhibit 14 at 21-6367_0340-41).

⁸⁰ Email from Committee Staffer to Witness 1, August 10, 2021 (Exhibit 12 at 21-6367_0298-99).

⁸¹ *Id.* (Exhibit 12 at 21-6367_0298-99).

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59. Despite the trainings and Committee communications, Rep. Suozzi maintains that he did not understand his obligations under the STOCK Act until it was brought to his attention in the fall of 2021 by media coverage and the OCE review.⁸²
60. Rep. Suozzi acknowledged receiving e-Dear Colleague emails, but admitted that he does not review them.⁸³ With regard to the ethics training, Rep. Suozzi stated that he had attended them, but did not have any specific recollection about them or whether the STOCK Act or PTRs were addressed.⁸⁴
61. Although Rep. Suozzi articulated a commitment to ethics in his interview with the OCE, he also emphasized that he has a busy schedule, telling the OCE, “But, quite frankly, we have a lot going on in Congress. I have a lot of other stuff going on. And it’s just not — ethics is a big priority for me. But the — some of the formalities are not necessarily something I make a priority of.”⁸⁵

iv. Rep. Suozzi’s Continued Failure to File PTRs

62. As previously detailed, on September 23, 2021, Rep. Suozzi filed a corrective PTR that encompassed the vast majority of his trades from 2017 to present.⁸⁶ However, in reviewing Rep. Suozzi’s investment account statements against the corrective PTR, the OCE found that an additional 31 transactions were never reported as required by the STOCK Act.⁸⁷ These 31 reportable transactions are detailed in the chart below and include transactions spanning from 2017 to 2021:

Settle Date	Trade Date	Transaction Type	Asset Description	Units Transacted	Unit Price	Gross Transaction Amount
9/7/17	9/5/17	Buy	SUP	300.00	14.6750	\$4,402.50
12/8/17	12/6/17	Buy	CAT	60.00	139.9444	\$8,396.66
4/19/18	4/17/18	Buy	BA	73.00	338.2000	\$24,688.60
5/2/18	4/30/18	Buy	CTRL	200.00	20.8735	\$4,174.70
5/10/18	5/8/18	Sell	GE	250.00	14.3146	\$3,578.65
6/29/18	6/27/18	Buy	CTRL	400.00	24.1482	\$9,659.28
6/29/18	6/27/18	Sell	IBM	40.00	137.7950	\$5,511.80
6/29/18	6/27/18	Buy	VZ	100.00	49.3155	\$4,931.55
10/3/18	10/1/18	Buy	C	400.00	72.3266	\$28,930.64
10/3/18	10/1/18	Buy	CAT	100.00	152.8479	\$15,284.79

⁸² Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0250, 0258-59); *see e.g.*, Tom Burne, *Suozzi acknowledges failing to file stock transaction reports*, *NEWSDAY*, Sept. 24, 2021, <https://www.newsday.com/news/nation/tom-suozzi-stocks-campaign-legal-center-1.50370115>.

⁸³ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0257).

⁸⁴ *Id.* (Exhibit 7 at 21-6367_0251).

⁸⁵ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0262).

⁸⁶ Rep. Suozzi, Periodic Transaction Report, filed Sept. 23, 2021.

⁸⁷ Rep. Suozzi Investment Account Records.

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Settle Date	Trade Date	Transaction Type	Asset Description	Units Transacted	Unit Price	Gross Transaction Amount
10/3/18	10/1/18	Buy	CSCO	300.00	48.9266	\$14,677.98
10/3/18	10/1/18	Buy	CTRL	1,000.00	33.6848	\$33,684.80
10/3/18	10/1/18	Buy	INTC	600.00	46.8669	\$28,120.14
10/3/18	10/1/18	Buy	VZ	200.00	53.7769	\$10,755.38
10/3/18	10/1/18	Buy	WM	320.00	90.6062	\$28,993.98
10/3/18	10/1/18	Sell	MO	75.00	60.3700	\$4,527.75
10/4/18	10/2/18	Buy	CTRL	500.00	32.8374	\$16,418.70
10/15/18	10/11/18	Buy	CTRL	500.00	27.1227	\$13,561.35
10/17/18	10/15/18	Buy	CTRL	300.00	27.6238	\$8,287.14
11/7/18	11/5/18	Buy	AAPL	100.00	199.2000	\$19,920.00
12/21/18	12/19/18	Buy	AAPL	100.00	166.0000	\$16,600.00
1/10/19	1/8/19	Buy	CTRL	200.00	19.2965	\$3,859.30
1/29/19	1/25/19	Buy	CAT	165.00	135.7318	\$22,395.75
3/7/19	3/5/19	Sell	BA	13.00	430.9800	\$5,602.74
3/7/19	3/5/19	Buy	DWDP	272.00	53.7669	\$14,624.60
7/31/19	7/29/19	Buy	GLW	210.00	34.0755	\$7,155.86
8/1/19	7/30/19	Buy	GLW	300.00	31.6275	\$9,488.25
9/19/19	9/17/19	Buy	BLK	34.00	435.0750	\$14,792.55
10/21/19	10/17/19	Sell	BLK	34.00	451.1263	\$15,338.29
11/19/19	11/15/19	Buy	GLW	500.00	29.0856	\$14,542.80
6/3/21	6/1/21	Buy	GENERAL ELECTRIC CO	3,000.00	14.6081	\$43,824.30

63. When asked about the unreported transactions, Witness 1 explained in an email to the OCE, “[i]n preparing the Periodic Transaction Report for January 1, 2017-December 31, 2020, the Annual Financial Disclosure Reports were used. The Annual Financial Disclosure Reports were prepared using the year end 1099 reports received. As the 1099s reports only sale transactions, the purchases from 2017/2018 that spanned more than 2 calendar years were inadvertently omitted.”⁸⁸

64. Even though Witness 1 attempted to explain the 2017 and 2018 failures to comply with the STOCK Act, some of the transactions were from later years, and as of the date of this report, all 31 transactions remain undisclosed.

⁸⁸ Email from Witness 1 to Omar Ashmawy, Jan. 28, 2022 (Exhibit 15 at 21-6367_0343).

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v. Rep. Suozzi's Current Remedial Efforts, Role in Preparing PTRs, and Outstanding Fines

1. Current Remedial Efforts

65. Witness 1 explained to the OCE that since becoming aware of the STOCK Act, he has put in place a new system for meeting Rep. Suozzi's disclosure obligations.⁸⁹ Specifically, he now receives Rep. Suozzi's brokerage reports twice a month so that they remain within the 30-day reporting window.⁹⁰
66. Witness 1 explained, "[s]o what they will do is they will give us a report of any buys or sales. And we will use that to prepare the reports. And we will file them as soon as we get them. So we usually do it on the 15th and the 30th and 31st."⁹¹
67. The OCE notes that while there are still 31 undisclosed transactions, since learning of his PTR filing obligations, Rep. Suozzi has filed seven PTRs.⁹²

2. Rep. Suozzi's Role in Preparing PTRs

68. The OCE also inquired about Rep. Suozzi's past and present process for filing his financial disclosure reports with the House. With regards to the preparation of his financial disclosures, including PTRs, Rep. Suozzi maintains a limited role.
69. In his interview, Rep. Suozzi stated that Witness 1's role with regards to financial disclosures is that Witness 1 "...does everything." Witness 1 "...is authorized to get all of my statements and stuff from the — from the brokers. And he tracks everything and reports everything."⁹³
70. When asked about the role Rep. Suozzi plays in his financial disclosure process, Witness 1 told the OCE, "[h]e really just opened up the doors for us — you know, the brokers."⁹⁴
71. While remedial measures have now been put in place by Witness 1 to ensure PTRs are properly filed, the OCE notes that Rep. Suozzi does not currently review his PTRs prior to filing.⁹⁵ When asked about his current process for filing PTRs, Rep Suozzi stated:

Rep. Suozzi: Those go out — they go out almost automatically now. And there is very little trading done on purpose.

⁸⁹ Witness 1 Transcript (Exhibit 6 at 21-6367_0209).

⁹⁰ *Id.* (Exhibit 6 at 21-6367_0209).

⁹¹ *Id.* (Exhibit 6 at 21-6367_0209-10).

⁹² Rep. Suozzi, Periodic Transaction Report, filed Sept. 23, 2021; Rep. Suozzi, Periodic Transaction Report, filed Oct. 5, 2021; Rep. Suozzi, Periodic Transaction Report, filed Nov. 5, 2021; Rep. Suozzi, Periodic Transaction Report, filed Nov. 18, 2021; Rep. Suozzi, Periodic Transaction Report, filed Dec. 1, 2021; Rep. Suozzi, Periodic Transaction Report, filed Jan. 11, 2022; Rep. Suozzi, Periodic Transaction Report, filed Jan. 20, 2022.

⁹³ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0249).

⁹⁴ Witness 1 Transcript (Exhibit 6 at 21-6367_0212).

⁹⁵ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0249-50).

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OCE: And who prepares those?

Rep. Suozzi: Witness 1.

OCE: And do you review — for the sake of clarity, do you review those before they go out?

Rep. Suozzi: No.

72. The OCE notes that the Committee's Instruction Guide emphasizes the need for the Member to review and sign each PTR personally.⁹⁶ Rep. Suozzi's approach continues to be to completely delegate his STOCK Act obligations to others in spite of repeated failures.

3. Application of Fines for Rep. Suozzi's Omissions

73. As part of this review, the OCE also asked Rep. Suozzi about whether he paid any fines in connection with his transaction reporting failures.⁹⁷
74. As previously addressed, the Committee publishes a fine schedule for violations with fine amounts increasing in severity for repeated omissions.⁹⁸ Additionally, Committee guidance states that "[a]ny PTR that is submitted more than 30 days after the due date without the required late filing fee shall be deemed procedurally deficient and not properly filed."⁹⁹ This means that any PTR filing after the grace period must be accompanied by a fine payment.
75. However, despite not having filed a PTR for three years covering 453 transactions, Rep. Suozzi never received notice from the Committee of his obligation to pay a fine.¹⁰⁰
76. Witness 1 explained that while he understood fines could be imposed, "...it sounds like it was, you know, discretionary based on, I guess, the facts that were out there."¹⁰¹ Despite recent communications with the Committee regarding compliance there has been no discussion of fines and he has "...never had like negotiations or discussions or assessments or things like that..."¹⁰²
77. Rep. Suozzi corroborated that there have been no communications regarding the requirement to pay a fine for his late PTRs.¹⁰³ He explained that all interactions with the Committee on this issue have been with Witness 1.¹⁰⁴ However, he was certain he has not paid a fine and

⁹⁶ Instruction Guide at 43.

⁹⁷ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0260).

⁹⁸ Instruction Guide at 7.

⁹⁹ Comm. on Ethics, Periodic Reporting of Personal Financial Transactions Pursuant to the STOCK Act, as amended, August 17, 2012 at 13 (emphasis omitted).

¹⁰⁰ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0260).

¹⁰¹ Witness 1 Transcript (Exhibit 6 at 21-6367_0226).

¹⁰² *Id.* (Exhibit 6 at 21-6367_0226).

¹⁰³ Rep. Suozzi Transcript (Exhibit 7 at 21-6367_0260).

¹⁰⁴ *Id.*

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explained that he has had no discussion with the Committee about fines.¹⁰⁵ He also assumed that Witness 1 had not discussed fines with the Committee.¹⁰⁶

78. Additionally, Rep. Suozzi was adamant that he would not pay a fine if one was assessed, stating, “I am not paying — well, I hope I won’t be paying fines. I don’t intend to pay any fines. I will fight this.”¹⁰⁷

79. Rep. Suozzi expressed frustration with the manner in which the PTR compliance process is managed. Rep. Suozzi told the OCE that he thought the House should be more proactive about advising busy Members of their ethics obligations.¹⁰⁸

80. Specifically, Rep. Suozzi suggested that since “...there are only 435 Members of Congress...every single Member of Congress should have someone from the Ethics Office that is responsible for that Member. So like everybody has got their staff member. And that staff member should be responsible for saying...you didn’t take your class, you didn’t file your reports...But instead of it kind of being out there in the ether...”¹⁰⁹

III. CONCLUSION

81. Based on the foregoing information, the Board finds that there is substantial reason to believe that Rep. Suozzi failed to file PTRs for reportable transactions.

82. Accordingly, the Board recommends that the Committee further review the above allegation that Rep. Suozzi failed to file PTRs for reportable transactions.

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.*

¹⁰⁸ *Id.* (Exhibit 7 at 21-6367_0261).

¹⁰⁹ *Id.* (Exhibit 7 at 21-6367_0261-62).