



FACT

FOUNDATION FOR
ACCOUNTABILITY
AND CIVIC TRUST

October 15, 2020

Omar Ashmawy
Chief Counsel
Office of Congressional Ethics
U.S. House of Representatives
P.O. Box 895
Washington, DC 20515-0895

Email: oce@mail.house.gov

Dear Mr. Ashmawy,

The Foundation for Accountability and Civic Trust (FACT) is a nonprofit organization dedicated to promoting accountability, ethics, and transparency in government and civic arenas. We achieve this mission by hanging a lantern over public officials who put their own interest over the interests of the public good. We request that the Office of Congressional Ethics immediately investigate Representative Donna Shalala for a second series of violations of not disclosing stock transactions as required by law.

Federal law and House Ethics rules require Members to disclose financial information to the public,¹ including financial disclosure reports that provide a “full and complete” statement of the Member’s assets, debts, and income and periodic reports of financial transactions that exceed \$1,000.²

Contrary to this requirement, it was recently reported that Shalala again failed to timely disclose stock transactions. This occurrence involved two stock sales that happened on April 1, 2019 and March 31, 2020, which she did not report until July 21, 2020 — nearly a year after the first sale and three months after the second sale—long past the 45 day deadline for disclosure.³

This is Shalala’s second series of violations that have been discovered this year. She was fined \$1,200 in April 2020 for not reporting stock sales that occurred in November 2018 and

¹ 5 U.S.C. app. 4 §§ 101-111.

² 5 U.S.C. app. 4 §§ 101(d), 102(a); House Rule 26.

³ Alex Daugherty, *Donna Shalala, Again, Failed To Disclose Stock Sales In Violation Of Federal Law*, The Miami Herald, Sept. 28, 2020, available at <https://www.miamiherald.com/news/politics-government/article246072375.html>; Donna Shalala, Periodic Transaction Report, Filed Jul. 21, 2020, available at https://disclosures-clerk.house.gov/public_disc/ptr-pdfs/2020/20016984.pdf.

November 2019.⁴ When the six STOCK act violations were discovered, Shalala acknowledged she knew the law, but failed to disclose the transactions that led to the fines.⁵

The Ethics in Government Act does not permit Members to not file the required reports without consequence.⁶ The disclosure requirements are an integral part of the law to create an ethical and transparent government. It is not a minor clerical matter—timely and accurate filings are the only method for citizens to determine whether Members have conflicts of interest or are wrongly profiting from their position.

This is the second time Shalala has apparently failed to file the required reports. It is clear that she knows the law and it is her responsibility to follow it. A second violation within a year is especially egregious and her explanation that her investments are complex or numerous is not an excuse to violate the law, rather it demonstrates the need for Shalala to file the appropriate reports. Should the OCE conclude that Rep. Shalala again violated this law, it must impose appropriate sanctions that are commensurate with a second violation.

To the best of my knowledge and ability, all evidence submitted was not obtained in violation of any law, rule, or regulation. Further, I am aware that the False Statements Act, 18 U.S.C. § 1001, applies to information submitted to the Office of Congressional Ethics.

Sincerely,



Kendra Arnold
Executive Director, Foundation for Accountability & Civic Trust

⁴ *Id.*; Alex Daugherty, *Donna Shalala Failed to Disclose Stock Sales in 2019 in Violation of Federal Law*, Miami Herald, Apr. 21, 2020; Jim DeFede, *Congresswoman Donna Shalala Admits Mistake In Stock Sales & Apologizes*, CBS Miami, Apr. 22, 2020.

⁵ *Id.*

⁶ See, e.g. 5 U.S.C. app. § 104(a)(1) (providing for a civil penalty not to exceed \$50,000); § 104(a)(2) (making it unlawful for any person to knowingly and willfully file or report any information required under section 102, with penalties of up to \$50,000 and imprisonment of not more than one year); § 104(d) providing for a filing fee of \$200). See also Committee on Ethics, U.S. House of Rep., available at <https://ethics.house.gov/financial-disclosure/general-information-about-financial-disclosure> (“A \$200 late filing fee shall be assessed against any individual who files more than 30 days after the due date of a report or amendment (or the due date of any extension).”).