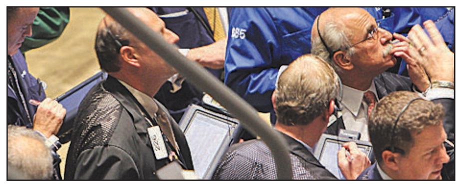
Contending with conflicts

Congress has created a body of laws that act as public-alert systems to both prevent and reveal when powerful private and public figures abuse their authority to boost personal wealth. The ethics laws — and rules from regulatory organizations — require that officials and executives disclose details of their personal finances to protect the public from corruption, including insider trading.

In many cases, the laws that Congress has passed for others are more stringent than those they impose on themselves. Legislation has been introduced this year to help close the gap, but one of the bill's sponsors, Rep. Brian Baird (D-Wash.), concedes he is facing an uphill battle. "We have no problem making strict rules for others, but we have a difficult time doing it for ourselves," Baird said.

— Kimberly Kindy

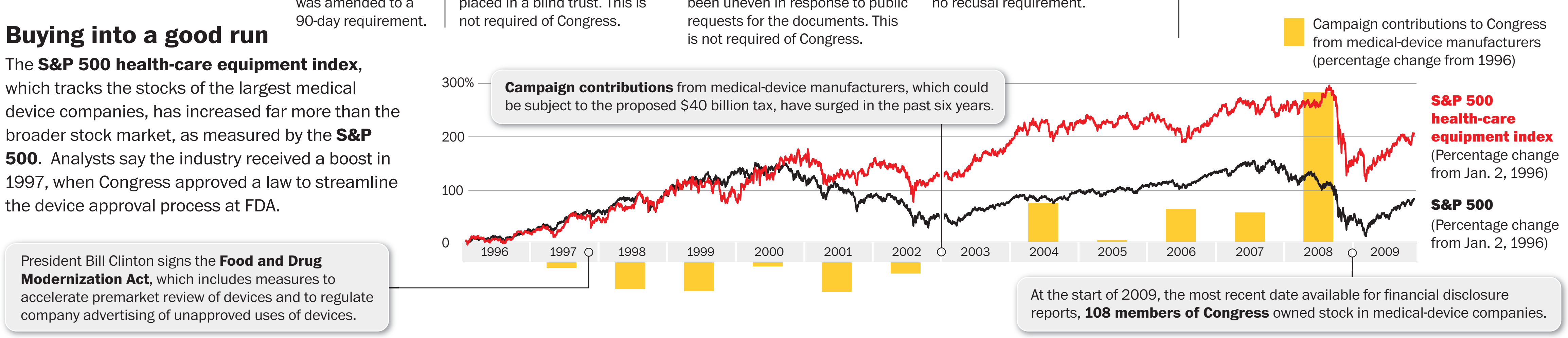
PRIVATE SECTOR 

GOVERNMENT    

	Research analysts in Wall Street firms	Corporate insiders*	Board of Governors of the Federal Reserve System	Administration Senior-level presidential appointees	Federal court judges	U.S. House of Representatives	Senate
What's disclosed	Whether they have financially benefited over the past 12 months from any company they discuss in research reports or in public appearances. Must also disclose if any member of their household has a current financial interest.	The amount and dates when company officials buy or sell stock in their own company. Stock awards are also reported. NOTE: Officers, directors and 10% shareholders in public companies	Financial assets, including: ● Spouses' source of income ● Stock holdings, trades ● Mortgages on rental or investment properties ● Trusts, estates ● Outside jobs, positions ● Investment funds ● Liabilities	Financial assets, including: ● Spouses' source of income ● Stock holdings, trades ● Mortgages on rental or investment properties ● Trusts, estates ● Outside jobs, positions ● Investment funds ● Liabilities	Financial assets, including: ● Spouses' source of income ● Stock holdings, trades ● Mortgages on rental or investment properties ● Trusts, estates ● Outside jobs, positions ● Investment funds ● Liabilities	Financial assets, including: ● Spouses' source of income ● Stock holdings, trades ● Mortgages on rental or investment properties ● Trusts, estates ● Outside jobs, positions ● Investment funds ● Liabilities	Financial assets, including: ● Spouses' source of income ● Stock holdings, trades ● Mortgages on rental or investment properties ● Trusts, estates ● Outside jobs, positions ● Investment funds ● Liabilities
Frequency of reporting	Disclosure is **immediate**. It must be done in research reports or during public appearances.	Reports filed **within two business days**, electronically to the Securities Exchange Commission.	Prior to confirmation and then annually	Prior to confirmation and then annually	Prior to confirmation and then annually	Annually	Annually
Public access	Analysts reports are the property of the firms they work for, but **often firms make them publicly available.** Disclosure is meant to protect a firm's clients and the investing public.	The **SEC posts the reports** online within hours.	**The public can request copies** of the forms electronically from the Office of Government Ethics, the employing agency or White House. Requests are usually processed within a day.	**The public can request copies** of the forms electronically from the Office of Government Ethics, the employing agency or White House. Requests are usually processed within a day.	The **public can request copies in writing**. The judge is notified and has 10 to 14 days to request any redactions that are allowed for legitimate security reasons. A panel of peers must review and approve any redaction requests. The process can sometimes take several months or longer. Documents are mailed.	The **paper** reports are scanned and posted on the House Web site. **The reports are not available in a digital, searchable format. They are often missing financial data and are sometimes illegible.**	Senate does not post forms. Paper copies are provided to members of the public at the Senate's Capitol Hill records office. **Nonprofit organizations gather all documents and post them** online for the public. (opensecrets.org)
	HOW REQUIREMENTS COMPARE TO CONGRESS					**PROPOSED REQUIREMENTS OVER CONGRESS**	
	Members of Congress do not have to make such disclosures in congressional reports, letters to federal agencies or public appearances.	Legislation (HR682) introduced this year would **require Congress to adhere to the same two-day reporting requirement** as corporate insiders. But the bill was amended to a 90-day requirement.	During the Senate confirmation process, all presidential appointee candidates, including board members, **must say how they will divest themselves of any stock** that might present a conflict of interest in their new job. Investments can sometimes be placed in a blind trust. This is not required of Congress.	An Obama executive order **requires appointees to identify clients and employers from the past two years**. Appointees must agree in recusal statements to take no official action that would "significantly" impact prior employers and clients. Agencies have been uneven in response to public requests for the documents. This is not required of Congress.	Congress passed an ethics statute in 1974 that **requires judges to recuse themselves** in cases involving companies in which they or their spouses own even small amounts of stock. In 1988, the Supreme Court removed a judge from a case over a holding worth $29.70. Congress has no recusal requirement.	**Legislation (HR682) has been introduced** that would require members of Congress to disclose all stock trades of $1,000 or more within 90 days, instead of annually.	

Buying into a good run

The **S&P 500 health-care equipment index**, which tracks the stocks of the largest medical device companies, has increased far more than the broader stock market, as measured by the **S&P 500**. Analysts say the industry received a boost in 1997, when Congress approved a law to streamline the device approval process at FDA.



SOURCES: Standard and Poor's, OpenSecrets.org

KAREN YOURISH AND DAN KEATING/THE WASHINGTON POST