

While dumping their stock, US senators misled the public on coronavirus crisis

By Jacob Crosse
21 March 2020

The actions of prominent US lawmakers, Democrats as well as Republicans, in seeking to secure their personal wealth while concealing from the public the catastrophic implications of the coronavirus pandemic and the measures needed to combat it sums up the response of the American ruling elite to the unfolding crisis.

According to reports published by the *New York Times*, the *Daily Beast*, the *Washington Post*, National Public Radio (NPR) and ProPublica, and confirmed on the US Senate database for financial disclosures, at least four sitting senators, including the chairman of the Senate Intelligence Committee, Republican Richard Burr, and the ranking member of the Senate Judiciary Committee, Democrat Dianne Feinstein, in a textbook example of “insider trading” dumped millions of dollars worth of stock after a receiving a classified briefing on January 24. During the briefing, all members of the US Senate were informed of the “emerging public threat” regarding the novel coronavirus.

In addition to Feinstein and Burr, Republican senators James Inhofe of Oklahoma, who also sits on the Intelligence Committee, and Kelly Loeffler of Georgia sold off large amounts of stock while at the same time misleading the public about the danger of the virus and the lack of preparation on the part of the government. In all cases, the senators completed the sale of their stock well before the Dow Jones Industrial Average dropped nearly 10,000 points beginning February 21.

The most blatant and criminal example of insider trading comes from the Senate’s newest and wealthiest member Kelly Loeffler, who was appointed to fill a vacancy this year. Loeffler is worth an estimated \$500 million, in large part due to her role as former executive and stockholder at the Intercontinental Exchange, or ICE. According to the *Atlanta-Journal Constitution*, “ICE operates 12 exchanges and other subsidiaries,” including the New York Stock Exchange. ICE’s primary government regulator is the Commodity Futures Trading Commission, which reports to the Senate Agriculture committee.

ICE was founded in 2000 by Jeffrey Sprecher, whom Loeffler married two years after arriving at the company in 2002. Sprecher is still the company’s chief executive and the largest individual shareholder. After being appointed by

Georgia Governor Brian Kemp to replace retiring Senator Jonny Isakson without a single vote cast, Loeffler became a member of the Senate Agriculture Committee on January 6, 2020 and was now in charge of regulating her and her husband’s businesses.

After the classified briefings on January 24, which included reports from the Centers for Disease Control and Prevention (CDC) director and Dr. Anthony Fauci, director of the National Institute of Allergy and Infectious Diseases, Loeffler tweeted her appreciation for “today’s briefing from the President’s top health officials on the novel coronavirus outbreak.” Loeffler and her husband expressed their appreciation by acting on the classified intelligence they received and hurriedly completing 27 separate sales of stock within 22 days. Between January 24 and February 15, Loeffler reported selling stock jointly owned between her and her husband worth between \$1.275 and \$3.1 million. Loeffler proceeded to purchase stock in only two companies: Oracle, a major technology company, and Citrix, which specializes in teleconferencing software, both on February 14 in the amount of \$100,000 to \$250,000, respectively.

When Loeffler wasn’t busy dumping soon to be worthless stock she took to Twitter to defend President Trump’s handling of the COVID-19 pandemic, which has claimed the lives of over 11,300 worldwide, including nearly 300 in the US as of this writing. In a February 28 tweet, Loeffler lied to her followers and the world, stating, “The truth: @realDonaldTrump & his administration are doing a great job working to keep Americans healthy & safe.”

In a video appearance on Fox News Friday morning, Loeffler failed to convince viewers that she was unaware of the transactions and that she played no part in the sale of potentially \$3 million worth of stock, stating that “there’s a range of decisions made that I’m not involved in.”

Joining Loeffler in seeking to profit off of the preventable pandemic were high-ranking members of the Senate Intelligence Committee, Richard Burr and James Inhofe, and the former chairwoman of the Intelligence Committee, Dianne Feinstein. Members of the committee receive regular classified briefings to which other members of Congress are not privy, including CIA and military reports. The *Washington Post*

reported Friday that the CIA was warning in such briefings as early as January of the outbreak in China mushrooming into a global pandemic. There is no doubt that these senators were well aware of the immense peril COVID-19 posed to the public.

Burr's disclosures reveal that he and his wife sold 33 different stocks on February 13, worth between \$628,000 and \$1.72 million, the most stock he's sold in a single day in the last 14 months. Burr's largest sales were among companies most affected by recent lockdowns and travel restrictions, including \$150,000 worth of shares in Wyndham Hotels and Resorts, which has lost two-thirds of its value so far this year, and \$100,000 worth of shares in Extended Stay America, whose share value has decreased by 50 percent since Burr sold his stock.

Burr also sold up to \$65,000 worth of stock in Park Hotels and resorts, whose stock is now a fifth of what it was before the sale. A week after the sale, the Dow Jones began its rapid descent.

Burr, like Loeffler, did not warn the public after having received the intelligence briefing. Instead, he downplayed the virus and sought to bolster the government's credibility. In a February 7 opinion piece for Fox News, coauthored with Senator Lamar Alexander, the pair stated that "the United States today is better prepared than ever before to face emerging public health threats like the coronavirus, in large part due to the work of the Senate Health Committee, Congress and the Trump administration."

It was reported this past week that the federal government's Strategic National Stockpile has approximately 12 million of the vitally important medical-grade N95 masks. The Department of Health and Human Services estimates that the US will go through approximately 3.5 billion masks if the outbreak lasts the duration of the year. That is, the US government has less than one percent of the masks on hand needed to meet the urgent demand and ensure the safety of health care workers risking their lives to fight the disease. Health care workers in the US have already resorted to reusing equipment and even relying on bandanas to protect themselves.

Burr, however, changed his tune when talking to prominent campaign contributors in his home state of North Carolina. Members of the Tar Heel Circle pay between \$500 and \$10,000 in dues to "Enjoy interaction with top leaders and staff from Congress, the administration and the private sector," according to the group's website.

In recordings obtained by NPR, two weeks before the Trump administration banned travel to Europe, Barr warned the Tar Heel Circle, "...you may have to alter your travel. You may have to look at your employees and judge whether the trip they're making to Europe is essential or whether it can be done on the video conference. Why risk it?"

In contrast to his op-ed piece, Burr was more forthcoming to his elite audience in regards to the severity of the virus.

"There's one thing that I can tell you about this: It is much more aggressive in its transmission than anything that we have seen in recent history," he said, according to the recording of his remarks cited by NPR. "It is probably more akin to the 1918 pandemic," he warned.

Upon news of Burr's corruption, the senator claimed that his decision to sell a majority of assets was made after watching "CNBC's daily health and science reporting out of its Asia bureaus at the time." In an attempt to save his seat and blunt social anger, Burr has requested a Senate Ethics Committee review of his transactions.

Demonstrating that capitalist corruption is a bipartisan affair, multimillionaire Dianne Feinstein and her husband, billionaire investment banker Richard Blum, reported in Feinstein's senate disclosures the sale of between \$1.5 and \$6 million worth of California biotech company Allogan Therapeutics stock between January 31 and February 18. A share of Allogan stock sold for \$24.25 the day Feinstein dumped the stock. As of today, shares of the stock were trading at \$19.25.

Feinstein, like Loeffler, pleaded ignorance of the seven-figure sales, stating on Twitter that she "held all assets in a blind trust of which I have no control." Echoing Loeffler, she further declared that she "had no input" into any decisions her husband made.

Finally, Senator Inhofe sold as much as \$400,000 worth of stock, including in companies such as PayPal, Apple and Intuit on January 31. Inhofe had previously been criticized for buying stock in defense contractor Raytheon while advocating for more defense spending. He is the current chair of the Senate Armed Services Committee. Inhofe joined his fellow gifters in pleading ignorance, telling the *Tulsa World* that he did not know about the stock sales and had "no control" of his investments.

There is little doubt that there are more members of Congress who have done the same, exemplifying once again that in capitalist society the first and foremost concern is the wealth of the aristocracy, not the health and safety of the population, even in the face of a global pandemic.

To contact the WSWWS and the
Socialist Equality Party visit:

<http://www.wsws.org>