

UPDATED VERSION

The Honorable Harry Reid
Majority Leader
United States Senate

The Honorable Mitch McConnell
Minority Leader
United States Senate

The Honorable Carl Levin
Chairman of the Senate Committee on Armed
Services
United States Senate

The Honorable John McCain
Ranking Member of the Senate Committee on Armed
Services
United States Senate

The Honorable John Kerry
Chairman of the Senate Committee on Foreign
Relations
United States Senate

The Honorable Richard Lugar
Ranking Member of the Senate Committee on
Foreign Relations
United States Senate

The Honorable Joe Lieberman
Chairman of the Senate Committee on Homeland
Security and Governmental Affairs
United States Senate

The Honorable Susan Collins
Ranking Member of the Senate Committee on
Homeland Security and Governmental Affairs
United States Senate

The Honorable Dianne Feinstein
Chairman of the Senate Select Committee on
Intelligence
United States Senate

The Honorable Saxby Chambliss
Ranking Member of the Senate Select Committee on
Intelligence
United States Senate

The Honorable Patrick Leahy
Chairman of the Senate Committee on the Judiciary
United States Senate

The Honorable Chuck Grassley
Ranking Member of the Senate Committee on the
Judiciary
United States Senate

The Honorable Eric Cantor
Majority Leader
House of Representatives

The Honorable Nancy Pelosi
Minority Leader
House of Representatives

The Honorable Buck McKeon
Chairman of the House Committee on Armed
Services
House of Representatives

The Honorable Adam Smith
Ranking Member of the House Committee on Armed
Services
House of Representatives

The Honorable Ileana Ros-Lehtinen
Chairman of the House Committee on Foreign
Affairs
House of Representatives

The Honorable Howard Berman
Ranking Member of the House Committee on
Foreign Affairs
House of Representatives

The Honorable Peter King
Chairman of the House Committee on Homeland
Security
House of Representatives

The Honorable Bennie Thompson
Ranking Member of the House Committee on
Homeland Security
House of Representatives

The Honorable Mike Rogers
Chairman of the House Permanent Select Committee
on Intelligence
House of Representatives

The Honorable Dutch Ruppersberger
Ranking Member of the House Permanent Select
Committee on Intelligence
House of Representatives

The Honorable Lamar Smith
Chairman of the House Committee on the Judiciary
House of Representatives

The Honorable John Conyers, Jr.
Ranking Member of the House Committee on the
Judiciary
House of Representatives

July 19, 2012 (Updated Version, 3:30 PM)

RE: Application of Section 11 of the STOCK Act to National Security Officials

Dear Congressional Leaders:

We are writing to express concern about section 11 of the Stop Trading in Congressional Knowledge Act (the STOCK Act), which requires that the financial disclosure forms of senior executive branch officials be posted on the Internet by August 31. While we agree that the government should have access to the financial information of its senior officials to ensure the integrity of government decision making, we strongly urge that Congress immediately pass legislation allowing an exception from the Internet posting requirement for certain executive branch officials, in order to protect the national security and the personal safety of these officials and their families.

The STOCK Act was intended to stop insider trading by Members of Congress. However, section 11 of the Act, which was added without any public hearings or consideration of national security or personnel safety implications, requires that financial data of over 28,000 executive branch officials throughout the U.S. government, including members of the U.S. military and career diplomats, law enforcement officials, and officials in sensitive national security jobs in the Defense Department, State Department and other agencies, be posted on their agency websites.

It is not clear what public purpose is served by inclusion of Section 11. We are not aware that any transparency concerns have been raised about the adequacy of the existing review process for executive branch officials, most of whom have devoted their careers to public service. For several decades, executive branch officials have prepared and submitted SF-278 financial disclosure forms to their employing agencies. The completed forms and the extensive financial data they contain are carefully reviewed by agency ethics officers in light of the specific responsibilities of the officials submitting them in order to identify and eliminate potential conflicts of interest. Although the forms may be requested by members of the public, they are not published in hard-copy or on the Internet. Moreover, individuals requesting copies of the forms must provide their names, occupation, and contact information. Agencies generally notify the filing officials about who has requested their personal financial information.

In contrast, Section 11 of the STOCK Act would require that the financial disclosure forms of executive branch officials be posted on each agency's website and that a government-wide database be created containing the SF-278s that would be searchable and sortable without the use of a login or any other screening process to control or monitor access to this personal information.

We believe that this new uncontrolled disclosure scheme for executive branch officials will create significant threats to the national security and to the personal safety and financial security of executive branch officials and their families, especially career employees. Placing complete personal financial information of all senior officials on the Internet would be a jackpot for enemies of the United States intent on finding security vulnerabilities they can exploit. SF-278 forms include a treasure trove of personal financial information: the location and value of employees' savings and checking accounts and certificates of deposit; a full valuation and listing of their investment portfolio; a listing of real estate assets and their value; a listing of debts, debt amounts, and creditors; and the signatures of the filers. SF-278s include financial information not only about the filing employee, but also about the employee's spouse and dependent children.

Posting this detailed financial information on the Internet will jeopardize the safety of executive branch officials — including military, diplomatic, law enforcement, and potentially intelligence officials — and their families who are posted or travel in dangerous areas, especially in certain countries in Asia, Africa, and Latin America. Embassy and military security officers already advise these officials to post

no personal identifying information on the Internet. Publishing the financial assets of these officials will allow foreign governments, and terrorist or criminal groups to specifically target these officials or their families for kidnapping, harassment, manipulation of financial assets, and other abuse.

Equally important, the detailed personal financial information — particularly detailed information about debts and creditors — contained in the SF-278s of senior officials is precisely the information that foreign intelligence services and other adversaries spend billions of dollars every year to uncover as they look for information that can be used to harass, intimidate and blackmail those in the government with access to classified information. Yet under the STOCK Act, these SF-278s will be placed on the Internet for any foreign government or group to access without disclosing their identity or purpose and with no notice to the employees or their agencies. We should not hand on a silver platter to foreign intelligence services information that could be used to compromise or harass career public servants who have access to the most sensitive information held by the U.S. government.

Section 11 could also jeopardize the safety and security of other executive branch officials, such as federal prosecutors and others who are tracking down and bringing to justice domestic organized crime gangs and foreign terrorists. Crime gangs could easily target the families of prosecutors with substantial assets or debts for physical attacks or threats.

Finally, publishing detailed banking and brokerage information of executive branch officials, especially with their signatures, is likely to invite hacking, financial attacks, and identity theft of these officials and their families, particularly by groups or individuals who may be affected by their governmental work.

Given these inevitable adverse national security consequences, we urge you to amend the STOCK Act to protect U.S. national security interests and the safety of executive branch officials by creating an exception from the requirements of Section 11 for senior executive branch officials with security clearances. The exception should also apply to other officials based on a determination by an agency head that an exception is necessary to protect the safety of the official or the official's family. At the very minimum, Congress should act to delay implementation of Section 11 until the national security and personal safety implications can be fully evaluated.

If the financial disclosure forms of senior executive officials are actually posted on the Internet in August, there will be irreparable damage to U.S. national security interests, and many senior executives and their families may be placed in danger. This issue is too important to be trapped in partisan politics. We urge Congress to act swiftly, before the Congress goes on its summer recess on August 6.

Sincerely,

Richard Armitage
Deputy Secretary of State, 2001-2005

John B. Bellinger III
Partner, Arnold & Porter LLP; Legal
Adviser, U.S. Department of State, 2005-
2009; Legal Adviser, National Security
Council, The White House, 2001-2005

Joel Brenner
National Counterintelligence Executive,
2006-2009; Inspector General, National
Security Agency, 2002-2006

Michael Chertoff
Secretary of Homeland Security, 2005-
2009

Jamie Gorelick
Deputy Attorney General, 1994-1997;
General Counsel, Department of Defense,
1993-1994

John Hamre
Deputy Secretary of Defense, 1997-2000

Michael Hayden
General USAF (RET); Director of the
Central Intelligence Agency 2006-2009;
Director of the National Security Agency
1999-2006

Mike McConnell
Vice Admiral USN (RET); Director of
National Intelligence, 2007-2009; Director
of the National Security Agency, 1992-
1996

Michael B. Mukasey
Partner, Debevoise & Plimpton; Attorney
General, 2007-2009; U.S. District Judge,
Southern District of New York, 1988-
2006

John Negroponte
Deputy Secretary of State, 2007-2009;
Director of National Intelligence, 2005-
2007

Thomas Pickering
Under Secretary of State for Political
Affairs, 1997-2000; Former U.S.
Ambassador

Frances Townsend
Assistant to the President for Homeland
Security and Counterterrorism, 2004-2008

Kenneth L. Wainstein
Assistant to the President for Homeland
Security and Counterterrorism, 2008-
2009; Assistant Attorney General for
National Security, Department of Justice,
2006-2008

Juan Zarate
Deputy National Security Advisor,
Combating Terrorism, 2005-2009;
Assistant Secretary of the Treasury,
Terrorist Financing and Financial Crimes,
2004-2005