

Cumberland Advisors Market Commentary – COVID-19, stock market, some Senators' behavior

It's no wonder that citizens, voters and disaffected non-voters, investors and market agents, as well as others who observe the United States, have a low opinion of the Congress. Behavior of one reflects on all. Nothing new there.



But the virus crisis has taken regard for Congress to a new low level as the country sees more deaths in a few months than in the entire Vietnam War period and sees millions infected while a political debate rages over testing and preparedness and the roles of states vs. the federal government.

Some Senators and Members of Congress had private briefings about COVID-19. They then made public statements offering sanguine assurances to their constituents while some of them allegedly sold off investments likely to be directly impacted by the pandemic. This is not just a Democrat thing or just a Republican thing. It's a both parties have culprits thing.

Is this an insider-trading scandal? We're going to learn more. Should a politician be able to obtain closed-door information and then benefit financially? Up to voters to decide.

Here are reports on four Senators who may have violated the public trust in this way and who are now subject to FBI investigations of insider trading. All sources are public, and citations are provided.

"Senate Intel chair unloaded stocks in mid-February before

coronavirus rocked markets,” Center for Responsive Politics, March 19, 2020, <https://www.opensecrets.org/news/2020/03/burr-unloaded-stocks-before-coronavirus/>

“Sens. Richard Burr, Kelly Loeffler sold millions in stock before coronavirus crippled markets, reports find,” Fox News, March 20, 2020, <https://www.foxnews.com/politics/senators-richard-burr-kelly-loeffler-accused-of-insider-trading-after-reports-show-they-sold-stocks-before-coronavirus-crippled-markets>

“Burr turns over phone, Feinstein questioned by FBI in possible insider trading probe,” NBC News, May 14, 2020, <https://www.nbcnews.com/politics/justice-department/fbi-seizes-sen-richard-burr-s-cell-phone-probe-over-n1206726>

“Feinstein talks with FBI about her husband’s stock trades,” Politico, May 14, 2020, <https://www.politico.com/news/2020/05/14/dianne-feinstein-husband-stock-trades-258693>

“Senator Loeffler Discloses Additional Millions In Stock Sales, Inflaming Insider Trading Suspicions,” *Forbes*, April 1, 2020, <https://www.forbes.com/sites/lisettevoytko/2020/04/01/sen-loeffler-dumped-19-million-in-shares-after-coronavirus-intel-briefing/#7ba3f22d6d03>

“Loeffler turns over documents to SEC and DOJ amid stock-trading controversy,” Politico, May 14, 2020, <https://www.politico.com/news/2020/05/14/loeffler-doj-sec-documents-259959>

It was announced on Tuesday, May 19, that Sen. Marco Rubio (R-FL) will temporarily replace Sen. Burr as chairman of the Senate Intelligence Committee. (AP, May 19, 2020, <https://apnews.com/ecdade2958770323a93bf7bed0f3d5aa>). We have checked whether Sen. Rubio revealed any recent stock sales or

other questionable financial activity in the Financial Disclosure Reports he is required to file. We found no such activity.

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