



## Fed Ethics Rules Get High-Powered Review

Another powerful group of federal officials are in the hotseat after details of their personal finances were revealed. While there are no accusations of wrong-doing (unlike the case of several senators who faced ethics reviews in 2020), **the financial disclosures of several Fed presidents** have prompted a bank-wide smell test.

As Thomas Franck reported for CNBC, Federal Reserve Chairman Jerome Powell has directed the central bank's staff to review its ethics rules after 2020 financial disclosures from some regional presidents revealed large investments and stock trades.

Powell's actions came to light after Senator Elizabeth Warren (D-MA) sent letters to each of the 12 regional bank presidents demanding **stricter rules around stock buying**. Three of the presidents had either made large stock trades last year or had substantial existing stakes in mutual and exchange-traded funds (ETFs). Singled out in the Franck article were:

- Robert Kaplan, Dallas Fed President. His disclosure showed multiple stock trades of \$1 million or more including individual trades in stocks like Apple, Amazon, and Delta Air Lines.
- Eric Rosengren, Boston Fed, was invested in four real estate investment trusts and made trades in several other property-owning vehicles. He also held stock in Pfizer, Chevron, and AT&T.
- Thomas Barkin, president of the Richmond bank, held over a million dollars in stocks. He also had large positions in ETFs and mutual funds including one that invests in energy companies. Those holdings are under professional management. He reported no 2020 trades.

Warren's September 15 letters called on each Fed president to institute a ban on the ownership and trading of individual stocks by senior officials at each regional office and demanded tighter restrictions on the types of financial activities that were permissible. Franck said ten of the letters were similar except for the two addressed to Kaplan and Rosengren.

The letter to Kaplan said in part, "As the Fed took extraordinary actions to address the risks to the economy and the banking and financial systems from the COVID-19 pandemic, you and your colleague Eric Rosengren made extensive trades in individual stocks and real estate investment trusts. has prompted **concerns about conflicts of interest among high-level officials** with far-reaching policymaking influence and extraordinary access to information about the economy."

Both Kaplan and Rosengren have agreed to sell their individual stock holdings.



**Jason Wood**

Mortgage Advisor & VA  
Loan Specialist, VA Loan  
Guy

[www.valoanguyusa.com](http://www.valoanguyusa.com)

P: (760) 350-3989

M: (760) 217-0820

2714 Loker Ave. W.  
Carlsbad CA 92010\_\_\_\_  
317293

