

U.S. Sen. Baldwin: Seeks investigation into possible market manipulation regarding market bets timed to Trump's comments on trade war & other geopolitical events

Posted on Monday, Oct 21, 2019

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WASHINGTON, D.C. - U.S. Senator Tammy Baldwin today joined her colleagues in calling for federal authorities to investigate, protect our financial markets, and ensure no one is cashing in on material nonpublic information from the Trump administration, foreign nations, or other entities, after a number of suspicious trades raised red flags about possible market manipulation or insider trading.

[Vanity Fair](#) recently reported that a mysterious trader or traders may have made more than a billion dollars in potential profits from suspicious market bets timed to e-mini S&P 500 futures trades and subsequent statements or actions from President Donald Trump regarding trade negotiations with China or from other actors with respect to other geopolitical events.

The Senators, led by Jack Reed (D-RI), Debbie Stabenow (D-MI), and Sherrod Brown (D-OH), are asking investigators and regulators to probe suspicious trading activity in our financial markets to determine if any rules, laws, or regulations were violated.

In a letter to the U.S. Department of Justice, Federal Bureau of Investigation (FBI), the Securities and Exchange Commission (SEC), and the Commodity Futures Trading Commission (CFTC), the Senators called for an investigation into whether there was wrongdoing, and if so, who is behind the potential windfall.

“Some may have an unfair trading advantage because of privileged access to nonpublic market-moving information potentially from government sources and, as a result, raise concerning questions about the integrity of our financial markets and our public institutions,” **the Senators wrote.**

In addition to Senators Baldwin, Reed, Stabenow, and Brown, the letter is signed by Senators Bob Menendez (D-NJ), Dianne Feinstein (D-CA), Chris Van Hollen (D-MD), Ron Wyden (D-OR), Kirsten Gillibrand (D-NY), Catherine Cortez Masto (D-NV), Christopher Coons (D-DE), Sheldon Whitehouse (D-RI), Ed Markey (D-MA) and Amy Klobuchar (D-MN).

The full text of the letter to Chairman Clayton, Chairman Tarbert, Attorney General Barr, and Director Wray is available [here](#) and below. An online version of this release is available [here](#).

October 21, 2019

Dear Chairman Clayton, Chairman Tarbert, General Barr, and Director Wray:

We write regarding disturbing reports of suspicious trading in our futures and equities markets and urge you to investigate immediately whether any rules, laws,

or regulations were violated. If any wrongdoing is uncovered, we demand that you swiftly hold violators accountable to the fullest extent possible.

With so many investors and entrepreneurs choosing to access our financial markets, they have become one of our nation's greatest competitive advantages. Our financial markets, while far from perfect, are more stable and offer greater investor protections than many foreign markets. As such, we must do everything to protect this comparative advantage.

This is why reports of certain traders earning potential massive payoffs of more than \$1 billion per trade ahead of actions taken by the Trump Administration, foreign nations, or other entities are so troubling. They suggest that some may have an unfair trading advantage because of privileged access to nonpublic market-moving information potentially from government sources and, as a result, raise concerning questions about the integrity of our financial markets and our public institutions.

Indeed, as a recent article in Vanity Fair states:

...the precision and timing of these trades, and the vast amount of money being made as a result of them, make the traders wonder if all this is on the level. Are the people behind these trades incredibly lucky, or do they have access to information that other people don't have about, say, Trump's or Beijing's latest thinking on the trade war or any other of a number of ways that Trump is able to move the markets through his tweeting or slips of the tongue? Essentially, do they have inside information?

We expect you to answer these and other pressing questions and use all of your authorities to protect our financial markets. In so doing, you must demonstrate concretely that no individuals, including government officials, are above the law,

and that those who choose to rig or cheat the system will be held fully accountable.

We thank you for your consideration, and we expect periodic updates on the progress of your investigation into this matter.

Sincerely,