

60 Minutes Uncovers Pelosi Insider Stock Trades

By Newsmax Wires

Former House Speaker Nancy Pelosi bought stock in initial public offerings (IPOs) that earned hefty returns while she had access to insider information that would have been illegal for an average citizen to trade with – even though it's perfectly legal for elected officials, CBS's "60 Minutes" reported Sunday night.

In a piece relying on data collected from the conservative Hoover Institution, "60 Minutes" revealed that elected officials like Pelosi are exempt from insider trading laws – regulations that carry hefty prison sentences and fines for any other citizen who trades stocks with private information on companies that can affect their stock price.

In the case of elected officials – this secret information ranges from timely details on lucrative federal contracts to legislation that can cause companies' stocks to rise and fall dramatically.

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How do they get away with it? Lawmakers have exempted themselves from the laws that govern every other citizen.

Pelosi, D-Calif., and her husband have participated in at least eight IPOs while having access to information directly relating to

the companies involved. One of those came in 2008, from Visa, just as a troublesome piece of legislation that would have hurt credit card companies, began making its way through the House.

“Undisturbed by a potential conflict of interest the Pelosis purchased 5,000 shares of Visa at the initial price of \$44 dollars. Two days later it was trading at \$64. The credit card legislation never made it to the floor of the House,” **Steve Kroft of "60 Minutes" reported.**

Kroft confronted Pelosi at a regular press conference after she declined an interview.

Kroft: Madam Leader, I wanted to ask you why you and your husband back in March of 2008 accepted and participated in a very large IPO deal from Visa at a time there was major legislation affecting the credit card companies making its way through the —through the House.

Nancy Pelosi: But —

Kroft: And did you consider that to be a conflict of interest?

Pelosi: The — y — I — I don't know what your point is of your question. Is there some point that you want to make with that?

Kroft: Well, I — I — I guess what I'm asking is do you think it's all right for a speaker to accept a very preferential, favorable stock deal?

Pelosi: Well, we didn't.

Kroft: You participated in the IPO. And at the time you were speaker of the House. You don't think it was a conflict of interest or had the appearance--

Pelosi: No, it was not —

Kroft: — of a conflict of interest?

Pelosi: —it doesn't — it only has appearance if you decide that you're going to have — elaborate on a false premise. But it — it — it's not true and that's that.

Kroft: I don't understand what part's not true.

Pelosi: Yes sir. That — that I would act upon an investment.

The Hoover Institution's Peter Schweizer stressed that what Pelosi did was completely legal.

"There are all sorts of forms of honest grafts that congressmen engage in that allow them to become very, very wealthy. So it's not illegal, but I think it's highly unethical, I think it's highly offensive, and wrong," he told Kroft.

"... Insider trading on the stock market. If you are a member of Congress, those laws are deemed not to apply," Schweizer added. "The fact is, if you sit on a healthcare committee and you know that Medicare, for example, is — is considering not reimbursing for a certain drug that's market moving information. And if you can trade stock on — off of that information and do so legally, that's a great profit making opportunity. And that sort of behavior goes on."

Pelosi's office issued a statement Sunday saying, "It is very troubling that '60 Minutes' would base their reporting off of an already-discredited conservative author who has made a career out of attacking Democrats."

Schweizer's books include "Do as I Say (Not as I Do): Profiles in Liberal Hypocrisy," and "Architects of Ruin," according to Schweizer's page on the Hoover Institution website.