ADVANCING AMERICAN FREEDOM

July 1, 2024

Dear Member of Congress,

The Biden Administration is on the verge of completing an almost decade-long project to create a massive government database containing the stocks and equities transactions of every investing American. The Securities and Exchange Commission (SEC) is currently implementing a rule that would force every financial institution to report to the government all of its investors' stock transactions to a massive government database. Known as the Consolidated Audit Trail or CAT, this massive government database is dangerous to American liberties, undermines our national security, and ultimately unconstitutional.

Americans' financial holdings have traditionally been kept private, at least between them and their financial broker. Now, the Biden Administration wants to radically insert the government into this relationship without any option to opt out. This database would be accessible by approximately 3,000 SEC employees and an untold number of employees of the 23 Self-Regulatory Organizations. Lest you forget, conservatives have regularly been harassed by rogue government agents leaking their supposedly private data from government databases. Upon completion, it would be the world's largest database outside of the National Security Agency and cost more than $3 billion in initial upstart costs, along with an estimated $200 million in annual operating costs.

To be clear – Congress has not passed a law instructing the SEC to create this database, nor has it appropriated a single dollar toward this government database. Rather, this government database is the result of a largely unaccountable rulemaking process.

We applaud the House Appropriations Committee for defunding CAT in the FY25 FSGG appropriations bill and encourage Congress to mark up and pass Representative Loudermilk's and Senator Kennedy's Protecting Investors' Personally Identifiable Information Act (H.R. 4551/S. 2230), which would prohibit the SEC from requiring financial institutions to send the personal and financial information of American retail investors to the CAT.

Thank you,

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