

### **Smart or Corrupt: Informed Trading in the U.S. Congress**

This paper assesses whether U.S. Congress members use information privileges from their membership in legislative committees to trade stocks. The challenge therein lies in the identification of information-conflicted transactions. To achieve this, I build a comprehensive data set connecting politicians' transactions, committee information, and affected stock prices. In two complementary analyses, I first employ a difference-in-differences approach to see if committee membership status impacts a politician's portfolio performance over time. Second, I estimate whether conflicted transactions precede public legislative revelations in the short term. My empirical approaches provide a comprehensive and novel assessment of transactions that are related to committee privileges.