

Suspend the Rules and Pass the Bill, S. 2038, With an Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

112TH CONGRESS
2D SESSION

S. 2038

To prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AN ACT

To prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Stop Trading on Con-
5 gressional Knowledge Act of 2012” or the “STOCK Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act:

1 (1) MEMBER OF CONGRESS.—The term “Mem-
2 ber of Congress” means a member of the Senate or
3 House of Representatives, a Delegate to the House
4 of Representatives, and the Resident Commissioner
5 from Puerto Rico.

6 (2) EMPLOYEE OF CONGRESS.—The term “em-
7 ployee of Congress” means—

8 (A) any individual (other than a Member
9 of Congress), whose compensation is disbursed
10 by the Secretary of the Senate or the Chief Ad-
11 ministrative Officer of the House of Represent-
12 atives; and

13 (B) any other officer or employee of the
14 legislative branch (as defined in section 109(11)
15 of the Ethics in Government Act of 1978 (5
16 U.S.C. App. 109(11))).

17 (3) EXECUTIVE BRANCH EMPLOYEE.—The
18 term “executive branch employee”—

19 (A) has the meaning given the term “em-
20 ployee” under section 2105 of title 5, United
21 States Code; and

22 (B) includes—

23 (i) the President;

24 (ii) the Vice President; and

1 (iii) an employee of the United States
2 Postal Service or the Postal Regulatory
3 Commission.

4 (4) JUDICIAL OFFICER.—The term “judicial of-
5 ficer” has the meaning given that term under sec-
6 tion 109(10) of the Ethics in Government Act of
7 1978 (U.S.C. App. 109(10)) .

8 (5) JUDICIAL EMPLOYEE.—The term “judicial
9 employee” has the meaning given that term in sec-
10 tion 109(8) of the Ethics in Government Act of
11 1978 (5 U.S.C. App. 109(8)).

12 (6) SUPERVISING ETHICS OFFICE.—The term
13 “supervising ethics office” has the meaning given
14 that term in section 109(18) of the Ethics in Gov-
15 ernment Act of 1978 (5 U.S.C. App. 109(18)).

16 **SEC. 3. PROHIBITION OF THE USE OF NONPUBLIC INFOR-**
17 **MATION FOR PRIVATE PROFIT.**

18 The Select Committee on Ethics of the Senate and
19 the Committee on Ethics of the House of Representatives
20 shall issue interpretive guidance of the relevant rules of
21 each chamber, including rules on conflicts of interest and
22 gifts, clarifying that a Member of Congress and an em-
23 ployee of Congress may not use nonpublic information de-
24 rived from such person’s position as a Member of Con-
25 gress or employee of Congress or gained from the perform-

1 ance of such person's official responsibilities as a means
2 for making a private profit.

3 **SEC. 4. PROHIBITION OF INSIDER TRADING.**

4 (a) **AFFIRMATION OF NONEXEMPTION.**—Members of
5 Congress and employees of Congress are not exempt from
6 the insider trading prohibitions arising under the securi-
7 ties laws, including section 10(b) of the Securities Ex-
8 change Act of 1934 and Rule 10b–5 thereunder.

9 (b) **DUTY.**—

10 (1) **PURPOSE.**—The purpose of the amendment
11 made by this subsection is to affirm a duty arising
12 from a relationship of trust and confidence owed by
13 each Member of Congress and each employee of
14 Congress.

15 (2) **AMENDMENT.**—Section 21A of the Securi-
16 ties Exchange Act of 1934 (15 U.S.C. 78u–1) is
17 amended by adding at the end the following:

18 “(g) **DUTY OF MEMBERS AND EMPLOYEES OF CON-**
19 **GRESS.**—

20 “(1) **IN GENERAL.**—Subject to the rule of con-
21 struction under section 10 of the STOCK Act and
22 solely for purposes of the insider trading prohibi-
23 tions arising under this Act, including section 10(b)
24 and Rule 10b–5 thereunder, each Member of Con-
25 gress or employee of Congress owes a duty arising

1 from a relationship of trust and confidence to the
2 Congress, the United States Government, and the
3 citizens of the United States with respect to mate-
4 rial, nonpublic information derived from such per-
5 son's position as a Member of Congress or employee
6 of Congress or gained from the performance of such
7 person's official responsibilities.

8 “(2) DEFINITIONS.—In this subsection—

9 “(A) the term ‘Member of Congress’
10 means a member of the Senate or House of
11 Representatives, a Delegate to the House of
12 Representatives, and the Resident Commis-
13 sioner from Puerto Rico; and

14 “(B) the term ‘employee of Congress’
15 means—

16 “(i) any individual (other than a
17 Member of Congress), whose compensation
18 is disbursed by the Secretary of the Senate
19 or the Chief Administrative Officer of the
20 House of Representatives; and

21 “(ii) any other officer or employee of
22 the legislative branch (as defined in section
23 109(11) of the Ethics in Government Act
24 of 1978 (5 U.S.C. App. 109(11))).

1 “(3) RULE OF CONSTRUCTION.—Nothing in
2 this subsection shall be construed to impair or limit
3 the construction of the existing antifraud provisions
4 of the securities laws or the authority of the Com-
5 mission under those provisions.”.

6 **SEC. 5. CONFORMING CHANGES TO THE COMMODITY EX-**
7 **CHANGE ACT.**

8 Section 4c(a) of the Commodity Exchange Act (7
9 U.S.C. 6c(a)) is amended—

10 (1) in paragraph (3), in the matter preceding
11 subparagraph (A)—

12 (A) by inserting “or any Member of Con-
13 gress or employee of Congress (as such terms
14 are defined under section 2 of the STOCK Act)
15 or any judicial officer or judicial employee (as
16 such terms are defined, respectively, under sec-
17 tion 2 of the STOCK Act)” after “Federal Gov-
18 ernment” the first place it appears;

19 (B) by inserting “Member, officer,” after
20 “position of the”; and

21 (C) by inserting “or by Congress or by the
22 judiciary” before “in a manner”; and

23 (2) in paragraph (4)—

24 (A) in subparagraph (A), in the matter
25 preceding clause (i)—

1 (i) by inserting “or any Member of
2 Congress or employee of Congress or any
3 judicial officer or judicial employee” after
4 “Federal Government” the first place it
5 appears;

6 (ii) by inserting “Member, officer,”
7 after “position of the”; and

8 (iii) by inserting “or by Congress or
9 by the judiciary” before “in a manner”;

10 (B) in subparagraph (B), in the matter
11 preceding clause (i), by inserting “or any Mem-
12 ber of Congress or employee of Congress or any
13 judicial officer or judicial employee” after
14 “Federal Government”; and

15 (C) in subparagraph (C)—

16 (i) in the matter preceding clause (i),
17 by inserting “or by Congress or by the ju-
18 diciary”—

19 (I) before “that may affect”; and

20 (II) before “in a manner”; and

21 (ii) in clause (iii), by inserting “to
22 Congress, any Member of Congress, any
23 employee of Congress, any judicial officer,
24 or any judicial employee,” after “Federal
25 Government,”.

1 **SEC. 6. PROMPT REPORTING OF FINANCIAL TRANS-**
2 **ACTIONS.**

3 (a) REPORTING REQUIREMENT.—Section 103 of the
4 Ethics in Government Act of 1978 (5 U.S.C. App. 103)
5 is amended by adding at the end the following subsection:

6 “(1) Not later than 30 days after receiving notifica-
7 tion of any transaction required to be reported under sec-
8 tion 102(a)(5)(B), but in no case later than 45 days after
9 such transaction, the following persons, if required to file
10 a report under any subsection of section 101, subject to
11 any waivers and exclusions, shall file a report of the trans-
12 action:

13 “(1) The President.

14 “(2) The Vice President.

15 “(3) Each officer or employee in the executive
16 branch, including a special Government employee as
17 defined in section 202 of title 18, United States
18 Code, who occupies a position classified above GS-
19 15 of the General Schedule or, in the case of posi-
20 tions not under the General Schedule, for which the
21 rate of basic pay is equal to or greater than 120 per-
22 cent of the minimum rate of basic pay payable for
23 GS-15 of the General Schedule; each member of a
24 uniformed service whose pay grade is at or in excess
25 of O-7 under section 201 of title 37, United States
26 Code; and each officer or employee in any other po-

1 sition determined by the Director of the Office of
2 Government Ethics to be of equal classification.

3 “(4) Each employee appointed pursuant to sec-
4 tion 3105 of title 5, United States Code.

5 “(5) Any employee not described in paragraph
6 (3) who is in a position in the executive branch
7 which is excepted from the competitive service by
8 reason of being of a confidential or policymaking
9 character, except that the Director of the Office of
10 Government Ethics may, by regulation, exclude from
11 the application of this paragraph any individual, or
12 group of individuals, who are in such positions, but
13 only in cases in which the Director determines such
14 exclusion would not affect adversely the integrity of
15 the Government or the public’s confidence in the in-
16 tegrity of the Government;

17 “(6) The Postmaster General, the Deputy Post-
18 master General, each Governor of the Board of Gov-
19 ernors of the United States Postal Service and each
20 officer or employee of the United States Postal Serv-
21 ice or Postal Regulatory Commission who occupies a
22 position for which the rate of basic pay is equal to
23 or greater than 120 percent of the minimum rate of
24 basic pay payable for GS-15 of the General Sched-
25 ule.

1 “(7) The Director of the Office of Government
2 Ethics and each designated agency ethics official.

3 “(8) Any civilian employee not described in
4 paragraph (3), employed in the Executive Office of
5 the President (other than a special government em-
6 ployee) who holds a commission of appointment from
7 the President.

8 “(9) A Member of Congress, as defined under
9 section 109(12).

10 “(10) An officer or employee of the Congress,
11 as defined under section 109(13).”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 subsection (a) shall apply to transactions occurring on or
14 after the date that is 90 days after the date of enactment
15 of this Act.

16 **SEC. 7. REPORT ON POLITICAL INTELLIGENCE ACTIVITIES.**

17 (a) REPORT.—

18 (1) IN GENERAL.—Not later than 12 months
19 after the date of enactment of this Act, the Comp-
20 troller General of the United States, in consultation
21 with the Congressional Research Service, shall sub-
22 mit to the Committee on Homeland Security and
23 Governmental Affairs of the Senate and the Com-
24 mittee on Oversight and Government Reform and
25 the Committee on the Judiciary of the House of

1 Representatives a report on the role of political intel-
2 ligence in the financial markets.

3 (2) CONTENTS.—The report required by this
4 section shall include a discussion of—

5 (A) what is known about the prevalence of
6 the sale of political intelligence and the extent
7 to which investors rely on such information;

8 (B) what is known about the effect that
9 the sale of political intelligence may have on the
10 financial markets;

11 (C) the extent to which information which
12 is being sold would be considered nonpublic in-
13 formation;

14 (D) the legal and ethical issues that may
15 be raised by the sale of political intelligence;

16 (E) any benefits from imposing disclosure
17 requirements on those who engage in political
18 intelligence activities; and

19 (F) any legal and practical issues that may
20 be raised by the imposition of disclosure re-
21 quirements on those who engage in political in-
22 telligence activities.

23 (b) DEFINITION.—For purposes of this section, the
24 term “political intelligence” shall mean information that
25 is—

1 (1) derived by a person from direct communica-
2 tions with an executive branch employee, a Member
3 of Congress, or an employee of Congress; and

4 (2) provided in exchange for financial com-
5 pensation to a client who intends, and who is known
6 to intend, to use the information to inform invest-
7 ment decisions.

8 **SEC. 8. PUBLIC FILING AND DISCLOSURE OF FINANCIAL**
9 **DISCLOSURE FORMS OF MEMBERS OF CON-**
10 **GRESS AND CONGRESSIONAL STAFF.**

11 (a) PUBLIC, ONLINE DISCLOSURE OF FINANCIAL
12 DISCLOSURE FORMS OF MEMBERS OF CONGRESS AND
13 CONGRESSIONAL STAFF.—

14 (1) IN GENERAL.—Not later than August 31,
15 2012, or 90 days after the date of enactment of this
16 Act, whichever is later, the Secretary of the Senate
17 and the Sergeant at Arms of the Senate, and the
18 Clerk of the House of Representatives, shall ensure
19 that financial disclosure forms filed by Members of
20 Congress, candidates for Congress, and employees of
21 Congress in calendar year 2012 and in subsequent
22 years pursuant to title I of the Ethics in Govern-
23 ment Act of 1978 are made available to the public
24 on the respective official websites of the Senate and

1 the House of Representatives not later than 30 days
2 after such forms are filed.

3 (2) EXTENSIONS.—Notices of extension for fi-
4 nancial disclosure shall be made available electroni-
5 cally under this subsection along with its related dis-
6 closure.

7 (3) REPORTING TRANSACTIONS.—In the case of
8 a transaction disclosure required by section 103(l) of
9 the Ethics in Government Act of 1978, as added by
10 this Act, such disclosure shall be filed not later than
11 the date required by that section. Notices of exten-
12 sion for transaction disclosure shall be made avail-
13 able electronically under this subsection along with
14 its related disclosure.

15 (4) EXPIRATION.—The requirements of this
16 subsection shall expire upon implementation of the
17 public disclosure system established under subsection
18 (b).

19 (b) ELECTRONIC FILING AND ONLINE PUBLIC
20 AVAILABILITY OF FINANCIAL DISCLOSURE FORMS OF
21 MEMBERS OF CONGRESS, OFFICERS OF THE HOUSE AND
22 SENATE, AND CONGRESSIONAL STAFF.—

23 (1) IN GENERAL.—Subject to paragraph (6)
24 and not later than 18 months after the date of en-
25 actment of this Act, the Secretary of the Senate and

1 the Sergeant at Arms of the Senate and the Clerk
2 of the House of Representatives shall develop sys-
3 tems to enable—

4 (A) electronic filing of reports received by
5 them pursuant to section 103(h)(1)(A) of title
6 I of the Ethics in Government Act of 1978; and

7 (B) public access to financial disclosure re-
8 ports filed by Members of Congress, candidates
9 for Congress, and employees of Congress, as
10 well as reports of a transaction disclosure re-
11 quired by section 103(l) of the Ethics in Gov-
12 ernment Act of 1978, as added by this Act, no-
13 tices of extensions, amendments, and blind
14 trusts, pursuant to title I of the Ethics in Gov-
15 ernment Act of 1978, through databases that—

16 (i) are maintained on the official
17 websites of the House of Representatives
18 and the Senate; and

19 (ii) allow the public to search, sort,
20 and download data contained in the re-
21 ports.

22 (2) LOGIN.—No login shall be required to
23 search or sort the data contained in the reports
24 made available by this subsection. A login protocol
25 with the name of the user shall be utilized by a per-

1 son downloading data contained in the reports. For
2 purposes of filings under this section, section
3 105(b)(2) of the Ethics in Government Act of 1978
4 does not apply.

5 (3) PUBLIC AVAILABILITY.—Pursuant to sec-
6 tion 105(b)(1) of the Ethics in Government Act of
7 1978, electronic availability on the official websites
8 of the Senate and the House of Representatives
9 under this subsection shall be deemed to have met
10 the public availability requirement.

11 (4) FILERS COVERED.—Individuals required
12 under the Ethics in Government Act of 1978 or the
13 Senate Rules to file financial disclosure reports with
14 the Secretary of the Senate or the Clerk of the
15 House of Representatives shall file reports electroni-
16 cally using the systems developed by the Secretary
17 of the Senate, the Sergeant at Arms of the Senate,
18 and the Clerk of the House of Representatives.

19 (5) EXTENSIONS.—Notices of extension for fi-
20 nancial disclosure shall be made available electroni-
21 cally under this subsection along with its related dis-
22 closure.

23 (6) ADDITIONAL TIME.—The requirements of
24 this subsection may be implemented after the date
25 provided in paragraph (1) if the Secretary of the

1 Senate or the Clerk of the House of Representatives
2 identifies in writing to relevant congressional com-
3 mittees the additional time needed for such imple-
4 mentation.

5 (c) RECORDKEEPING.—Section 105(d) of the Ethics
6 in Government Act of 1978 (5 U.S.C. App. 105(d)) is
7 amended to read as follows:

8 “(d)(1) Any report filed with or transmitted to an
9 agency or supervising ethics office or to the Clerk of the
10 House of Representatives or the Secretary of the Senate
11 pursuant to this title shall be retained by such agency or
12 office or by the Clerk of the House of Representatives or
13 the Secretary of the Senate, as the case may be.

14 “(2) Such report shall be made available to the pub-
15 lic—

16 “(A) in the case of a Member of Congress until
17 a date that is 6 years from the date the individual
18 ceases to be a Member of Congress; and

19 “(B) in the case of all other reports filed pursu-
20 ant to this title, for a period of 6 years after receipt
21 of the report.

22 “(3) After the relevant time period identified under
23 paragraph (2), the report shall be destroyed unless needed
24 in an ongoing investigation, except that in the case of an
25 individual who filed the report pursuant to section 101(b)

1 and was not subsequently confirmed by the Senate, or who
2 filed the report pursuant to section 101(c) and was not
3 subsequently elected, such reports shall be destroyed 1
4 year after the individual either is no longer under consid-
5 eration by the Senate or is no longer a candidate for nomi-
6 nation or election to the Office of President, Vice Presi-
7 dent, or as a Member of Congress, unless needed in an
8 ongoing investigation or inquiry.”.

9 **SEC. 9. OTHER FEDERAL OFFICIALS.**

10 (a) PROHIBITION OF THE USE OF NONPUBLIC IN-
11 FORMATION FOR PRIVATE PROFIT.—

12 (1) EXECUTIVE BRANCH EMPLOYEES.—The Of-
13 fice of Government Ethics shall issue such interpre-
14 tive guidance of the relevant Federal ethics statutes
15 and regulations, including the Standards of Ethical
16 Conduct for executive branch employees, related to
17 use of nonpublic information, as necessary to clarify
18 that no executive branch employee may use non-
19 public information derived from such person’s posi-
20 tion as an executive branch employee or gained from
21 the performance of such person’s official responsibil-
22 ities as a means for making a private profit.

23 (2) JUDICIAL OFFICERS.—The Judicial Con-
24 ference of the United States shall issue such inter-
25 pretive guidance of the relevant ethics rules applica-

1 ble to Federal judges, including the Code of Conduct
2 for United States Judges, as necessary to clarify
3 that no judicial officer may use nonpublic informa-
4 tion derived from such person's position as a judicial
5 officer or gained from the performance of such per-
6 son's official responsibilities as a means for making
7 a private profit.

8 (3) JUDICIAL EMPLOYEES.—The Judicial Con-
9 ference of the United States shall issue such inter-
10 pretive guidance of the relevant ethics rules applica-
11 ble to judicial employees as necessary to clarify that
12 no judicial employee may use nonpublic information
13 derived from such person's position as a judicial em-
14 ployee or gained from the performance of such per-
15 son's official responsibilities as a means for making
16 a private profit.

17 (b) APPLICATION OF INSIDER TRADING LAWS.—

18 (1) AFFIRMATION OF NON-EXEMPTION.—Exec-
19 utive branch employees, judicial officers, and judicial
20 employees are not exempt from the insider trading
21 prohibitions arising under the securities laws, includ-
22 ing section 10(b) of the Securities Exchange Act of
23 1934 and Rule 10b–5 thereunder.

24 (2) DUTY.—

1 (A) PURPOSE.—The purpose of the
2 amendment made by this paragraph is to affirm
3 a duty arising from a relationship of trust and
4 confidence owed by each executive branch em-
5 ployee, judicial officer, and judicial employee.

6 (B) AMENDMENT.—Section 21A of the Se-
7 curities Exchange Act of 1934 (15 U.S.C. 78u-
8 1), as amended by this Act, is amended by add-
9 ing at the end the following:

10 “(h) DUTY OF OTHER FEDERAL OFFICIALS.—

11 “(1) IN GENERAL.—Subject to the rule of con-
12 struction under section 10 of the STOCK Act and
13 solely for purposes of the insider trading prohibi-
14 tions arising under this Act, including section 10(b),
15 and Rule 10b–5 thereunder, each executive branch
16 employee, each judicial officer, and each judicial em-
17 ployee owes a duty arising from a relationship of
18 trust and confidence to the United States Govern-
19 ment and the citizens of the United States with re-
20 spect to material, nonpublic information derived
21 from such person’s position as an executive branch
22 employee, judicial officer, or judicial employee or
23 gained from the performance of such person’s offi-
24 cial responsibilities.

25 “(2) DEFINITIONS.—In this subsection—

1 “(A) the term ‘executive branch em-
2 ployee’—

3 “(i) has the meaning given the term
4 ‘employee’ under section 2105 of title 5,
5 United States Code;

6 “(ii) includes—

7 “(I) the President;

8 “(II) the Vice President; and

9 “(III) an employee of the United
10 States Postal Service or the Postal
11 Regulatory Commission;

12 “(B) the term ‘judicial employee’ has the
13 meaning given that term in section 109(8) of
14 the Ethics in Government Act of 1978 (5
15 U.S.C. App. 109(8)); and

16 “(C) the term ‘judicial officer’ has the
17 meaning given that term under section 109(10)
18 of the Ethics in Government Act of 1978 (5
19 U.S.C. App. 109(10)).

20 “(3) RULE OF CONSTRUCTION.—Nothing in
21 this subsection shall be construed to impair or limit
22 the construction of the existing antifraud provisions
23 of the securities laws or the authority of the Com-
24 mission under those provisions.”.

1 **SEC. 10. RULE OF CONSTRUCTION.**

2 Nothing in this Act, the amendments made by this
3 Act, or the interpretive guidance to be issued pursuant
4 to sections 3 and 9 of this Act, shall be construed to—

5 (1) impair or limit the construction of the anti-
6 fraud provisions of the securities laws or the Com-
7modity Exchange Act or the authority of the Securi-
8ties and Exchange Commission or the Commodity
9Futures Trading Commission under those provi-
10sions;

11 (2) be in derogation of the obligations, duties,
12and functions of a Member of Congress, an employee
13of Congress, an executive branch employee, a judi-
14cial officer, or a judicial employee, arising from such
15person's official position; or

16 (3) be in derogation of existing laws, regula-
17tions, or ethical obligations governing Members of
18Congress, employees of Congress, executive branch
19employees, judicial officers, or judicial employees.

20 **SEC. 11. EXECUTIVE BRANCH REPORTING.**

21 (a) EXECUTIVE BRANCH REPORTING.—

22 (1) IN GENERAL.—Not later than August 31,
232012, or 90 days after the date of enactment of this
24Act, whichever is later, the President shall ensure
25that financial disclosure forms filed pursuant to title
26I of the Ethics in Government Act of 1978 (5

1 U.S.C. App. 101 et seq.), in calendar year 2012 and
2 in subsequent years, by executive branch employees
3 specified in section 101 of that Act are made avail-
4 able to the public on the official websites of the re-
5 spective executive branch agencies not later than 30
6 days after such forms are filed.

7 (2) EXTENSIONS.—Notices of extension for fi-
8 nancial disclosure shall be made available electroni-
9 cally along with the related disclosure.

10 (3) REPORTING TRANSACTIONS.—In the case of
11 a transaction disclosure required by section 103(l) of
12 the Ethics in Government Act of 1978, as added by
13 this Act, such disclosure shall be filed not later than
14 the date required by that section. Notices of exten-
15 sion for transaction disclosure shall be made avail-
16 able electronically under this subsection along with
17 its related disclosure.

18 (4) EXPIRATION.—The requirements of this
19 subsection shall expire upon implementation of the
20 public disclosure system established under subsection
21 (b).

22 (b) ELECTRONIC FILING AND ONLINE PUBLIC
23 AVAILABILITY OF FINANCIAL DISCLOSURE FORMS OF
24 CERTAIN EXECUTIVE BRANCH EMPLOYEES.—

1 (1) IN GENERAL.—Subject to paragraph (6),
2 and not later than 18 months after the date of en-
3 actment of this Act, the President, acting through
4 the Director of the Office of Government Ethics,
5 shall develop systems to enable—

6 (A) electronic filing of reports required by
7 section 103 of the Ethics in Government Act of
8 1978 (5 U.S.C. App. 103), other than sub-
9 section (h) of such section; and

10 (B) public access to financial disclosure re-
11 ports filed by executive branch employees re-
12 quired to file under section 101 of that Act (5
13 U.S.C. App. 101), as well as reports of a trans-
14 action disclosure required by section 103(l) of
15 that Act, as added by this Act, notices of exten-
16 sions, amendments, and blind trusts, pursuant
17 to title I of that Act, through databases that—

18 (i) are maintained on the official
19 website of the Office of Government Eth-
20 ics; and

21 (ii) allow the public to search, sort,
22 and download data contained in the re-
23 ports.

24 (2) LOGIN.—No login shall be required to
25 search or sort the data contained in the reports

1 made available by this subsection. A login protocol
2 with the name of the user shall be utilized by a per-
3 son downloading data contained in the reports. For
4 purposes of filings under this section, section
5 105(b)(2) of the Ethics in Government Act of 1978
6 (5 U.S.C. App. 105(b)(2)) does not apply.

7 (3) PUBLIC AVAILABILITY.—Pursuant to sec-
8 tion 105(b)(1) of the Ethics in Government Act of
9 1978 (5 U.S.C. App. 105(b)(1)), electronic avail-
10 ability on the official website of the Office of Gov-
11 ernment Ethics under this subsection shall be
12 deemed to have met the public availability require-
13 ment.

14 (4) FILERS COVERED.—Executive branch em-
15 ployees required under title I of the Ethics in Gov-
16 ernment Act of 1978 to file financial disclosure re-
17 ports shall file the reports electronically with their
18 supervising ethics office.

19 (5) EXTENSIONS.—Notices of extension for fi-
20 nancial disclosure shall be made available electroni-
21 cally under this subsection along with its related dis-
22 closure.

23 (6) ADDITIONAL TIME.—The requirements of
24 this subsection may be implemented after the date
25 provided in paragraph (1) if the Director of the Of-

1 fice of Government Ethics, after consultation with
2 the Clerk of the House of Representatives and Sec-
3 retary of the Senate, identifies in writing to relevant
4 congressional committees the additional time needed
5 for such implementation.

6 **SEC. 12. PARTICIPATION IN INITIAL PUBLIC OFFERINGS.**

7 Section 21A of the Securities Exchange Act of 1934
8 (15 U.S.C. 78u-1), as amended by this Act, is further
9 amended by adding at the end the following:

10 “(i) PARTICIPATION IN INITIAL PUBLIC OFFER-
11 INGS.—An individual described in section 101(f) of the
12 Ethics in Government Act of 1978 may not purchase secu-
13 rities that are the subject of an initial public offering
14 (within the meaning given such term in section
15 12(f)(1)(G)(i)) in any manner other than is available to
16 members of the public generally.”.

17 **SEC. 13. REQUIRING MORTGAGE DISCLOSURE.**

18 (a) REQUIRING DISCLOSURE.—Section 102(a)(4)(A)
19 of the Ethics in Government Act of 1978 (5 U.S.C. App.
20 102(a)(4)(A)) is amended by striking “spouse; and” and
21 inserting the following: “spouse, except that this exception
22 shall not apply to a reporting individual—

23 “(i) described in paragraph (1), (2),
24 or (9) of section 101(f);

1 “(ii) described in section 101(b) who
2 has been nominated for appointment as an
3 officer or employee in the executive branch
4 described in subsection (f) of such section,
5 other than—

6 “(I) an individual appointed to a
7 position—

8 “(aa) as a Foreign Service
9 Officer below the rank of ambas-
10 sador; or

11 “(bb) in the uniformed serv-
12 ices for which the pay grade pre-
13 scribed by section 201 of title 37,
14 United States Code is O-6 or
15 below; or

16 “(II) a special government em-
17 ployee, as defined under section 202
18 of title 18, United States Code; or

19 “(iii) described in section 101(f) who
20 is in a position in the executive branch the
21 appointment to which is made by the
22 President and requires advice and consent
23 of the Senate, other than—

24 “(I) an individual appointed to a
25 position—

1 “(aa) as a Foreign Service
2 Officer below the rank of ambas-
3 sador; or

4 “(bb) in the uniformed serv-
5 ices for which the pay grade pre-
6 scribed by section 201 of title 37,
7 United States Code is O–6 or
8 below; or

9 “(II) a special government em-
10 ployee, as defined under section 202
11 of title 18, United States Code; and”.

12 (b) EFFECTIVE DATE.—The amendment made by
13 subsection (a) shall apply with respect to reports which
14 are required to be filed under section 101 of the Ethics
15 of Government Act of 1978 on or after the date of the
16 enactment of this Act.

17 **SEC. 14. TRANSACTION REPORTING REQUIREMENTS.**

18 The transaction reporting requirements established
19 by section 103(l) of the Ethics in Government Act of
20 1978, as added by section 6 of this Act, shall not be con-
21 strued to apply to a widely held investment fund (whether
22 such fund is a mutual fund, regulated investment com-
23 pany, pension or deferred compensation plan, or other in-
24 vestment fund), if—

25 (1)(A) the fund is publicly traded; or

1 (B) the assets of the fund are widely diversified;
2 and

3 (2) the reporting individual neither exercises
4 control over nor has the ability to exercise control
5 over the financial interests held by the fund.

6 **SEC. 15. APPLICATION TO OTHER ELECTED OFFICIALS AND**
7 **CRIMINAL OFFENSES.**

8 (a) APPLICATION TO OTHER ELECTED OFFICIALS.—

9 (1) CIVIL SERVICE RETIREMENT SYSTEM.—Sec-
10 tion 8332(o)(2)(A) of title 5, United States Code, is
11 amended—

12 (A) in clause (i), by inserting “, the Presi-
13 dent, the Vice President, or an elected official
14 of a State or local government” after “Mem-
15 ber”; and

16 (B) in clause (ii), by inserting “, the Presi-
17 dent, the Vice President, or an elected official
18 of a State or local government” after “Mem-
19 ber”.

20 (2) FEDERAL EMPLOYEES RETIREMENT SYS-
21 TEM.—Section 8411(l)(2) of title 5, United States
22 Code, is amended—

23 (A) in subparagraph (A), by inserting “,
24 the President, the Vice President, or an elected

1 official of a State or local government” after
2 “Member”; and

3 (B) in subparagraph (B), by inserting “,
4 the President, the Vice President, or an elected
5 official of a State or local government” after
6 “Member”.

7 (b) CRIMINAL OFFENSES.—Section 8332(o)(2) of
8 title 5, United States Code, is amended—

9 (1) in subparagraph (A), by striking clause (iii)
10 and inserting the following:

11 “(iii) The offense—

12 “(I) is committed after the date of enact-
13 ment of this subsection and—

14 “(aa) is described under subparagraph
15 (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or
16 (xxvi); or

17 “(bb) is described under subpara-
18 graph (B)(xxix), (xxx), or (xxxi), but only
19 with respect to an offense described under
20 subparagraph (B)(i), (iv), (xvi), (xix),
21 (xxiii), (xxiv), or (xxvi); or

22 “(II) is committed after the date of enact-
23 ment of the STOCK Act and—

24 “(aa) is described under subparagraph
25 (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x),

1 (xi), (xii), (xiii), (xiv), (xv), (xvii), (xviii),
2 (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii);
3 or

4 “(bb) is described under subpara-
5 graph (B)(xxix), (xxx), or (xxxi), but only
6 with respect to an offense described under
7 subparagraph (B)(ii), (iii), (v), (vi), (vii),
8 (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv),
9 (xvii), (xviii), (xx), (xxi), (xxii), (xxv),
10 (xxvii), or (xxviii).”; and

11 (2) by striking subparagraph (B) and inserting
12 the following:

13 “(B) An offense described in this subparagraph is
14 only the following, and only to the extent that the offense
15 is a felony:

16 “(i) An offense under section 201 of title 18
17 (relating to bribery of public officials and witnesses).

18 “(ii) An offense under section 203 of title 18
19 (relating to compensation to Member of Congress,
20 officers, and others in matters affecting the Govern-
21 ment).

22 “(iii) An offense under section 204 of title 18
23 (relating to practice in the United States Court of
24 Federal Claims or the United States Court of Ap-

1 peals for the Federal Circuit by Member of Con-
2 gress).

3 “(iv) An offense under section 219 of title 18
4 (relating to officers and employees acting as agents
5 of foreign principals).

6 “(v) An offense under section 286 of title 18
7 (relating to conspiracy to defraud the Government
8 with respect to claims).

9 “(vi) An offense under section 287 of title 18
10 (relating to false, fictitious or fraudulent claims).

11 “(vii) An offense under section 597 of title 18
12 (relating to expenditures to influence voting).

13 “(viii) An offense under section 599 of title 18
14 (relating to promise of appointment by candidate).

15 “(ix) An offense under section 602 of title 18
16 (relating to solicitation of political contributions).

17 “(x) An offense under section 606 of title 18
18 (relating to intimidation to secure political contribu-
19 tions).

20 “(xi) An offense under section 607 of title 18
21 (relating to place of solicitation).

22 “(xii) An offense under section 641 of title 18
23 (relating to public money, property or records).

1 “(xiii) An offense under section 666 of title 18
2 (relating to theft or bribery concerning programs re-
3 ceiving Federal funds).

4 “(xiv) An offense under section 1001 of title 18
5 (relating to statements or entries generally).

6 “(xv) An offense under section 1341 of title 18
7 (relating to frauds and swindles, including as part of
8 a scheme to deprive citizens of honest services there-
9 by).

10 “(xvi) An offense under section 1343 of title 18
11 (relating to fraud by wire, radio, or television, in-
12 cluding as part of a scheme to deprive citizens of
13 honest services thereby).

14 “(xvii) An offense under section 1503 of title
15 18 (relating to influencing or injuring officer or
16 juror).

17 “(xviii) An offense under section 1505 of title
18 18 (relating to obstruction of proceedings before de-
19 partments, agencies, and committees).

20 “(xix) An offense under section 1512 of title 18
21 (relating to tampering with a witness, victim, or an
22 informant).

23 “(xx) An offense under section 1951 of title 18
24 (relating to interference with commerce by threats of
25 violence).

1 “(xxi) An offense under section 1952 of title 18
2 (relating to interstate and foreign travel or transpor-
3 tation in aid of racketeering enterprises).

4 “(xxii) An offense under section 1956 of title
5 18 (relating to laundering of monetary instruments).

6 “(xxiii) An offense under section 1957 of title
7 18 (relating to engaging in monetary transactions in
8 property derived from specified unlawful activity).

9 “(xxiv) An offense under chapter 96 of title 18
10 (relating to racketeer influenced and corrupt organi-
11 zations).

12 “(xxv) An offense under section 7201 of the In-
13 ternal Revenue Code of 1986 (relating to attempt to
14 evade or defeat tax).

15 “(xxvi) An offense under section 104(a) of the
16 Foreign Corrupt Practices Act of 1977 (relating to
17 prohibited foreign trade practices by domestic con-
18 cerns).

19 “(xxvii) An offense under section 10(b) of the
20 Securities Exchange Act of 1934 (relating to fraud,
21 manipulation, or insider trading of securities).

22 “(xxviii) An offense under section 4c(a) of the
23 Commodity Exchange Act (7 U.S.C. 6c(a)) (relating
24 to fraud, manipulation, or insider trading of com-
25 modities).

1 “(xxix) An offense under section 371 of title 18
2 (relating to conspiracy to commit offense or to de-
3 fraud United States), to the extent of any conspiracy
4 to commit an act which constitutes—

5 “(I) an offense under clause (i), (ii), (iii),
6 (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii),
7 (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx),
8 (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii),
9 or (xxviii); or

10 “(II) an offense under section 207 of title
11 18 (relating to restrictions on former officers,
12 employees, and elected officials of the executive
13 and legislative branches).

14 “(xxx) Perjury committed under section 1621
15 of title 18 in falsely denying the commission of an
16 act which constitutes—

17 “(I) an offense under clause (i), (ii), (iii),
18 (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii),
19 (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx),
20 (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii),
21 or (xxviii); or

22 “(II) an offense under clause (xxix), to the
23 extent provided in such clause.

24 “(xxxi) Subornation of perjury committed under
25 section 1622 of title 18 in connection with the false

1 denial or false testimony of another individual as
2 specified in clause (xxx).”.

3 **SEC. 16. LIMITATION ON BONUSES TO EXECUTIVES OF**
4 **FANNIE MAE AND FREDDIE MAC.**

5 Notwithstanding any other provision in law, senior
6 executives at the Federal National Mortgage Association
7 and the Federal Home Loan Mortgage Corporation are
8 prohibited from receiving bonuses during any period of
9 conservatorship for those entities on or after the date of
10 enactment of this Act.

11 **SEC. 17. POST-EMPLOYMENT NEGOTIATION RESTRICTIONS.**

12 (a) RESTRICTION EXTENDED TO EXECUTIVE AND
13 JUDICIAL BRANCHES.—Notwithstanding any other provi-
14 sion of law, an individual required to file a financial disclo-
15 sure report under section 101 of the Ethics in Government
16 Act of 1978 (5 U.S.C. App. 101) may not directly nego-
17 tiate or have any agreement of future employment or com-
18 pensation unless such individual, within 3 business days
19 after the commencement of such negotiation or agreement
20 of future employment or compensation, files with the indi-
21 vidual’s supervising ethics office a statement, signed by
22 such individual, regarding such negotiations or agreement,
23 including the name of the private entity or entities in-
24 volved in such negotiations or agreement, and the date
25 such negotiations or agreement commenced.

1 (b) RECUSAL.—An individual filing a statement
2 under subsection (a) shall recuse himself or herself when-
3 ever there is a conflict of interest, or appearance of a con-
4 flict of interest, for such individual with respect to the sub-
5 ject matter of the statement, and shall notify the individ-
6 ual’s supervising ethics office of such recusal. An indi-
7 vidual making such recusal shall, upon such recusal, sub-
8 mit to the supervising ethics office the statement under
9 subsection (a) with respect to which the recusal was made.

10 **SEC. 18. WRONGFULLY INFLUENCING PRIVATE ENTITIES**
11 **EMPLOYMENT DECISIONS BY LEGISLATIVE**
12 **AND EXECUTIVE BRANCH OFFICERS AND EM-**
13 **PLOYEES.**

14 (a) IN GENERAL.—Section 227 of title 18, United
15 States Code, is amended—

16 (1) in the heading of such section, by inserting
17 after “**Congress**” the following: “**or an officer**
18 **or employee of the legislative or execu-**
19 **tive branch**”; and

20 (2) by striking “Whoever” and inserting “(a)
21 Whoever”;

22 (3) by striking “a Senator or Representative in,
23 or a Delegate or Resident Commissioner to, the Con-
24 gress or an employee of either House of Congress”
25 and inserting “a covered government person”; and

1 (4) by adding at the end the following:

2 “(b) In this section, the term ‘covered government
3 person’ means—

4 “(1) a Senator or Representative in, or a Dele-
5 gate or Resident Commissioner to, the Congress;

6 “(2) an employee of either House of Congress;

7 or

8 “(3) the President, Vice President, an employee
9 of the United States Postal Service or the Postal
10 Regulatory Commission, or any other executive
11 branch employee (as such term is defined under sec-
12 tion 2105 of title 5, United States Code).”.

13 (b) CLERICAL AMENDMENT.—The table of contents
14 for chapter 11 of title 18, United States Code, is amended
15 by amending the item relating to section 227 to read as
16 follows:

“227. Wrongfully influencing a private entity’s employment decisions by a Mem-
ber of Congress or an officer or employee of the legislative or
executive branch.”.

17 **SEC. 19. MISCELLANEOUS CONFORMING AMENDMENTS.**

18 (a) REPEAL OF TRANSMISSION OF COPIES OF MEM-
19 BER AND CANDIDATE REPORTS TO STATE ELECTION OF-
20 FICIALS UPON ADOPTION OF NEW SYSTEMS.—Section
21 103(i) of the Ethics in Government Act of 1978 (5 U.S.C.
22 App. 103(i)) is amended—

23 (1) by striking “(i)” and inserting “(i)(1)”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(2) The requirements of paragraph (1) do not apply
4 to any report filed under this title which is filed electroni-
5 cally and for which there is online public access, in accord-
6 ance with the systems developed by the Secretary and Ser-
7 geant at Arms of the Senate and the Clerk of the House
8 of Representatives under section 8(b) of the Stop Trading
9 on Congressional Knowledge Act of 2012.”.

10 (b) PERIOD OF RETENTION OF FINANCIAL DISCLO-
11 SURE STATEMENTS OF MEMBERS OF THE HOUSE.—

12 (1) IN GENERAL.—Section 304(c) of the Hon-
13 est Leadership and Open Government Act of 2007
14 (2 U.S.C. 104e(c)) is amended by striking the period
15 at the end and inserting the following: “, or, in the
16 case of reports filed under section 103(h)(1) of the
17 Ethics in Government Act of 1978, until the expira-
18 tion of the 6-year period which begins on the date
19 the individual is no longer a Member of Congress.”.

20 (2) EFFECTIVE DATE.—The amendment made
21 by paragraph (1) shall apply with respect to any re-
22 port which is filed on or after the date on which the
23 systems developed by the Secretary and Sergeant at
24 Arms of the Senate and the Clerk of the House of
25 Representatives under section 8(b) first take effect.