

AMENDMENT TO THE RULES COMMITTEE PRINT

119-6

OFFERED BY MS. BROWN OF OHIO

In title I, add at the end the following:

1 **SEC. 113. WHISTLEBLOWER PROTECTIONS FOR THE DIG-**
2 **ITAL ASSET ECOSYSTEM.**

3 (a) COVERED VIOLATION.—In this section, the term
4 “covered violation” means the following:

5 (1) VIOLATIONS OF THIS ACT.—A violation of
6 this Act, an amendment made by this Act, or a rule
7 issued thereunder.

8 (2) OTHER VIOLATIONS RELATED TO THE DIG-
9 ITAL ASSET ECOSYSTEM.—In connection with a dig-
10 ital asset:

11 (A) FRAUD OR ABUSE.—Knowing
12 misstatements, material omissions, deceptive
13 conduct, embezzlement, or manipulation of data
14 or reporting.

15 (B) CYBERSECURITY VULNERABILITIES OR
16 BREACHES OR CYBER INCIDENTS.—Unauthor-
17 ized access to or disruption of systems,
18 exfiltration or loss of digital asset private keys,
19 denial-of-service attacks, software or protocol

1 exploits, or failures to report material cyberse-
2 curity risks affecting consumers, investors, or
3 market infrastructure.

4 (C) VIOLATION OF THE BANK SECRECY
5 ACT OR ANTI-MONEY LAUNDERING OBLIGA-
6 TIONS.—A violation of the Bank Secrecy Act,
7 including failing to—

8 (i) maintain required customer identi-
9 fication programs;

10 (ii) make a required report of sus-
11 picious activity;

12 (iii) maintain required records; or

13 (iv) maintain required anti-money
14 laundering internal controls.

15 (D) MARKET MANIPULATION.—Spoofing,
16 wash trading, front-running, or coordinated
17 market price distortion through deceptive or
18 manipulative conduct.

19 (E) CONSUMER PROTECTION COMPLIANCE
20 FAILURE.—Misleading or deceptive representa-
21 tions to users, improper custodial practices, un-
22 authorized use of customer funds, or failure to
23 disclose material risks.

24 (F) CORPORATE GOVERNANCE FAILURE.—
25 Failure to maintain adequate board oversight,

1 material conflicts of interest, deficient internal
2 audit or control systems, or governance-related
3 violations of law,

4 (G) UNETHICAL PRACTICES.—Knowingly
5 facilitating illegal activity, materially misleading
6 regulators or Congress, or breaches of fiduciary
7 duty or professional responsibility.

8 (H) OTHER MATERIAL VIOLATIONS OF
9 LAW OR REGULATION.—Such other material
10 violations of law or regulation as the Securities
11 and Exchange Commission and the Commodity
12 Futures Trading Commission determine appro-
13 priate, by rule.

14 (b) PROTECTED DISCLOSURE.—No person or entity
15 may retaliate against an individual for reporting a sus-
16 pected or actual covered violation to any of the following:

17 (1) The Commodity Futures Trading Commis-
18 sion.

19 (2) The Securities and Exchange Commission.

20 (3) The Department of Justice.

21 (4) A Federal law enforcement agency.

22 (5) A Federal banking agency (as defined in
23 section 3 of the Securities Exchange Act of 1934) or
24 the National Credit Union Administration.

1 (6) A State regulatory authority with jurisdic-
2 tion over digital asset markets or financial services,
3 including a State banking regulator.

4 (7) The Congress, including any committee or
5 subcommittee thereof.

6 (c) REMEDIES.—An individual who is retaliated
7 against in violation of this section shall have the right,
8 as applicable, to reinstatement with back pay, compen-
9 satory damages, and reasonable attorneys' fees and costs.

10 (d) CONFIDENTIALITY AND ANONYMITY.—An indi-
11 vidual making a report described in subsection (b) may
12 submit the report anonymously through legal counsel and
13 shall have their identity and disclosures protected to the
14 fullest extent provided by law.

15 (e) PUBLIC EDUCATION AND ACCESS.—The Securi-
16 ties and Exchange Commission, Commodity Futures
17 Trading Commission, and the Financial Crimes Enforce-
18 ment Network shall conduct outreach and education to en-
19 sure that employees, contractors, and agents across the
20 digital asset ecosystem are informed of their rights and
21 protections under this section.

22 (f) RELATIONSHIP WITH OTHER LAWS.—The pro-
23 tections provided in this section are in addition to any
24 other protections in Federal law, including the protections
25 provided by—

1 (1) section 21F of the Securities Exchange Act
2 of 1934 (15 U.S.C. 78u-6);

3 (2) section 23 of the Commodity Exchange Act
4 (7 U.S.C. 26); and

5 (3) section 5323 of title 31, United States
6 Code.

7 (g) RETALIATION DEFINED.—With respect to an in-
8 dividual described in subsection (a), the following actions
9 constitute retaliation:

10 (1) Discharging, demoting, or suspending the
11 individual.

12 (2) Making threats against the individual or
13 otherwise harassing the individual.

14 (3) Such other actions as the Securities and
15 Exchange Commission and the Commodity Futures
16 Trading Commission determine appropriate, by rule.

