

AMENDMENT TO RULES COMMITTEE PRINT
119-33
OFFERED BY MS. GOODLANDER OF NEW
HAMPSHIRE

Add at the end of subtitle B of title XVII the following:

1 **SEC. 17___. RESTRICTIONS ON TRADE AND OWNERSHIP OF**
2 **COVERED INVESTMENTS.**

3 (a) **SHORT TITLE.**—This section may be cited as the
4 “The Public Service Accountability Act”.

5 (b) **TABLE OF CONTENTS.**—The table of contents for
6 chapter 131 of title 5, United States Code, is amended
7 by adding at the end the following:

SUBCHAPTER IV—RESTRICTIONS ON TRADE AND OWNERSHIP OF COVERED
INVESTMENTS

13151. Definitions.

13152. Trade and ownership of covered investments.

13153. Penalties.

8 (c) **RESTRICTIONS.**—Chapter 131 of title 5, United
9 States Code, is amended by adding at the end a new sub-
10 chapter:

11 “SUBCHAPTER IV—RESTRICTIONS ON TRADE
12 AND OWNERSHIP OF COVERED INVESTMENTS

13 “§ **13151. Definitions**

14 “In this subchapter:

1 “(1) COMMODITY.—The term ‘commodity’—

2 “(A) has the meaning given the term in
3 section 1a of the Commodity Exchange Act (7
4 U.S.C. 1a); and

5 “(B) does not include—

6 “(i) a precious metal (as defined in
7 section 1027.100 of title 31, Code of Fed-
8 eral Regulations); or

9 “(ii) insurance for which the insured
10 holds a lawful insurable interest.

11 “(2) COVERED INDIVIDUAL.—The term ‘cov-
12 ered individual’ means any of the following:

13 “(A) A Member of Congress and an officer
14 or employee of Congress (as defined in section
15 13101).

16 “(B) A dependent child as defined in such
17 section 13101 or a spouse of a Member of Con-
18 gress.

19 “(C) A judicial employee and judicial offi-
20 cer (as those terms are defined in section
21 13101).

22 “(D) An officer or employee described in
23 section 13103(f)(3).

1 “(E) A special Government employee (as
2 that term is defined in section 202(a) of title
3 18).

4 “(F) A senior executive (as that term is
5 defined in section 3132(a)).

6 “(G) Any individual employed in a position
7 described under sections 5312 through 5316 of
8 title 5 (relating to the Executive Schedule).

9 “(H) Any individual employed in a position
10 of a confidential or policy-determining character
11 under schedule C of subpart C of part 213 of
12 title 5, Code of Federal Regulations, or suc-
13 cessor regulation.

14 “(I) The President.

15 “(J) The Vice President.

16 “(K) A dependent child as defined in such
17 section 13101 or a spouse of the President.

18 “(L) A dependent child as defined in such
19 section 13101 or a spouse of the Vice Presi-
20 dent.

21 “(3) COVERED INVESTMENT.—The term ‘cov-
22 ered investment’—

23 “(A) means an investment in a security, a
24 commodity, a future, or any comparable eco-
25 nomic interest acquired through synthetic

1 means, such as the use of a derivative, includ-
2 ing an option, warrant, or other similar means;
3 and

4 “(B) does not include—

5 “(i) a widely held investment fund de-
6 scribed in section 13104(f)(8) that is di-
7 versified and publicly traded on a national
8 or regional stock exchange;

9 “(ii) a United States Treasury bill,
10 note, or bond;

11 “(iii) a State or municipal government
12 bill, note, or bond;

13 “(iv) any compensation received by
14 the spouse or dependent child of a covered
15 official from their employer;

16 “(v) an interest in a small business
17 concern;

18 “(vi) an interest in a limited liability
19 company created for the sole purpose of
20 purchasing or holding real estate that
21 serves as the personal residence of the
22 Member of Congress;

23 “(vii) any share of Settlement Com-
24 mon Stock issued under section 7(g)(1)(A)

1 of the Alaska Native Claims Settlement
2 Act (43 U.S.C. 1606(g)(1)(A)); or

3 “(viii) any share of Settlement Com-
4 mon Stock, as defined in section 3 of the
5 Alaska Native Claims Settlement Act (43
6 U.S.C. 1602).

7 “(4) DIVERSIFIED.—The term ‘diversified’,
8 with respect to an investment fund, means such
9 fund does not have a stated policy of concentrating
10 its investments in any industry, business, single
11 country other than the United States, or bonds of a
12 single State within the United States except for the
13 State in which the Member of Congress resides.

14 “(5) FUTURE.—The term ‘future’ means a fi-
15 nancial contract obligating the buyer to purchase an
16 asset or the seller to sell an asset, such as a physical
17 commodity or a financial investment, at a predeter-
18 mined future date and price.

19 “(6) SECURITY.—The term ‘security’ has the
20 meaning given the term in section 3(a) of the Secu-
21 rities Exchange Act of 1934 (15 U.S.C. 78c(a)).

22 “(7) SMALL BUSINESS CONCERN.—The term
23 ‘small business concern’ has the meaning given that
24 term under section 3 of the Small Business Act (15
25 U.S.C. 632).

1 “(8) SUPERVISING ETHICS OFFICE.—The term
2 ‘supervising ethics office’ has the meaning given the
3 term in section 13101.

4 **“§ 13152. Trade and ownership of covered invest-**
5 **ments**

6 “(a) CONDUCT DURING FEDERAL SERVICE.—Except
7 as described in subsection (b)(1)(B) and subsections (d)
8 and (e), no covered individual may—

9 “(1) directly or indirectly, own or trade a cov-
10 ered investment; or

11 “(2) enter into, or offer to enter into, an agree-
12 ment, contract, swap, or transaction that provides
13 for any purchase, sale, payment, or delivery of an
14 excluded commodity that is dependent on the oc-
15 currence, nonoccurrence, or the extent of the
16 occurrence of a specific event or contingency.

17 “(b) COMPLIANCE.—

18 “(1) REQUIREMENT.—To comply with sub-
19 section (a)—

20 “(A) a covered individual may not pur-
21 chase a covered investment; and

22 “(B) a covered individual shall divest of
23 any covered investment by the effective date es-
24 tablished in paragraph (2) at fair market value.

1 “(2) EFFECTIVE DATE.—The effective date is
2 established as follows:

3 “(A) 180 days for an individual who is a
4 covered individual on the date of enactment of
5 The Public Service Accountability Act.

6 “(B) 90 days within the date on which an
7 individual becomes a covered individual if such
8 date occurs after the date of enactment of The
9 Public Service Accountability Act.

10 “(c) CERTIFICATES OF DIVESTITURE.—

11 “(1) APPLICATION OF CERTIFICATE OF DIVES-
12 TITURE PROGRAM.—For purposes of section 1043 of
13 the Internal Revenue Code of 1986—

14 “(A) this section shall be treated as a Fed-
15 eral conflict of interest statute; and

16 “(B) any covered individual described in
17 subparagraphs (A), (B), (K), or (L) of section
18 13151(2) shall be treated as an eligible person
19 described in section 1043(b)(1)(A) of such
20 Code.

21 “(2) ISSUANCE OF CERTIFICATE OF DIVESTI-
22 TURE.—

23 “(A) IN GENERAL.—Each supervising eth-
24 ics office shall issue a certificate of divestiture
25 to each covered individual required to divest

1 under this subchapter upon submission of proof
2 of compliance by such individual with the re-
3 quirements to divest or any extensions granted
4 by the supervising ethics office.

5 “(B) ELIGIBILITY.—Such certificate shall
6 include an identification of each specific prop-
7 erty eligible for the application of the certificate
8 of divestiture program as determined by the su-
9 pervising ethics office.

10 “(d) TRUSTS.—Any covered investment held in a
11 qualified blind trust as defined in section 13104(f)(3) shall
12 be divested in accordance with subsection (b)(1)(B) by the
13 effective date established in subsection (b)(2).

14 “(e) ASSETS ACQUIRED IN SPECIAL CIR-
15 CUMSTANCES.—In the event that a covered individual ac-
16 quires a covered investment after the date of enactment
17 of the The Public Service Accountability Act other than
18 by purchase (such as by marriage, inheritance, divorce set-
19 tlement, or other circumstance), the covered individual
20 shall have 90 days from the date on which such investment
21 was acquired to divest such covered investment at fair
22 market value.

23 “(f) INTERPRETATIVE GUIDANCE.—The supervising
24 ethics office shall issue interpretive guidance on any rel-
25 evant term not defined in this subchapter.

1 **“§ 13153. Penalties**

2 “(a) IN GENERAL.—

3 “(1) PENALTIES.—Any covered individual who
4 violates the restrictions on trading or ownership of
5 covered investments in section 13152 shall, at the
6 direction of the supervising ethics office—

7 “(A) pay a fine of equal to 10 percent of
8 the value of the covered investment; and

9 “(B) disgorge the profits of any trans-
10 action that violates the provisions of this sub-
11 chapter.

12 “(2) PAYMENT OF PENALTY TO TREASURY.—A
13 penalty imposed under paragraph (1)(B) shall be
14 payable into the Treasury of the United States.

15 “(b) PAYMENT RESTRICTIONS.—A Member of the
16 Congress may not pay any of the penalties under this sec-
17 tion by using amounts from the following sources:

18 “(1) The Members’ Representational Allowance.

19 “(2) The Senators’ Official Personnel and Of-
20 fice Expense Account.

21 “(3) Any contribution (as defined in section
22 301(8) of the Federal Election Campaign Act of
23 1971 (52 U.S.C. 30101(8))) accepted as a can-
24 didate, and any other donation received as support
25 for activities of the individual as a holder of Federal
26 office.

1 “(c) PUBLICATION.—Each supervising ethics office
2 shall publish on a publicly available website a description
3 of—

4 “(1) each fine assessed by the supervising eth-
5 ics office pursuant to this section;

6 “(2) the reason why each such fine was as-
7 sessed; and

8 “(3) the result of each assessment.”.

9 (d) RULE OF CONSTRUCTION.—This section and the
10 amendments made by this section shall not be construed
11 to apply to any individual occupying a position under the
12 General Schedule.

