

**AMENDMENT TO
RULES COMMITTEE PRINT 119-19
OFFERED BY M__.**

Page 1, strike line 1 and all that follows and insert
the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the “Restore Trust in Gov-
3 ernment Act”.

**4 SEC. 2. RESTRICTIONS ON TRADE AND OWNERSHIP OF
5 COVERED INVESTMENTS.**

6 (a) TABLE OF CONTENTS.—The table of contents for
7 chapter 131 of title 5, United States Code, is amended
8 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.

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

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

14 “§ 13151. Definitions

15 “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 a precious metal (as
6 defined in section 1027.100 of title 31, Code of
7 Federal Regulations).

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

10 “(A) A Member of Congress, as defined in
11 section 13101.

12 “(B) A dependent child (as defined in sec-
13 tion 13101) or a spouse of a Member of Con-
14 gress.

15 “(C) A trustee of a trust in which an indi-
16 vidual described in subparagraph (A) or (B)
17 has a beneficial interest in the principal or in-
18 come of the trust as described in section
19 1403(b)(5) of the Internal Revenue Code of
20 1986.

21 “(D) The President, or the spouse or a de-
22 pendent child (as defined in section 13101) of
23 the President.

1 “(E) The Vice President, or the spouse or
2 a dependent child (as defined in section 13101)
3 of the Vice President.

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

6 “(A) means an investment in a security, a
7 commodity, a future, or any comparable eco-
8 nomic interest acquired through synthetic
9 means, such as the use of a derivative, includ-
10 ing an option, warrant, or other similar means;
11 and

12 “(B) does not include—

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

17 “(ii) a United States Treasury bill,
18 note, or bond;

19 “(iii) a State or municipal government
20 bill, note, or bond;

21 “(iv) any compensation received by a
22 spouse or a dependent child described in
23 paragraph (2) from an employer of the
24 spouse or dependent child;

1 “(v) an interest in a small business
2 concern and, in the case of an investment
3 in a family farm or ranch that qualifies as
4 an interest in a small business concern, a
5 future or commodity directly related to the
6 farming activities and products of the farm
7 or ranch;

8 “(vi) an interest in a limited liability
9 company created for the sole purpose of
10 purchasing or holding real estate that
11 serves as the personal residences of the
12 Member of Congress;

13 “(vii) any share of Settlement Com-
14 mon Stock issued under section 7(g)(1)(A)
15 of the Alaska Native Claims Settlement
16 Act (43 U.S.C. 1606(g)(1)(A)); or

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

21 “(4) DIVERSIFIED.—The term ‘diversified’,
22 with respect to an investment fund, means such
23 fund does not have a stated policy of concentrating
24 its investments in any industry, business, single
25 country other than the United States, or bonds of a

1 single State within the United States except for the
2 State in which the Member of Congress resides.

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

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

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

15 “(8) SUPERVISING ETHICS OFFICE.—The term
16 ‘supervising ethics office’ has the meaning given the
17 term in section 13101.

18 **“§ 13152. Trade and ownership of covered invest-
19 ments**

20 “(a) CONDUCT DURING FEDERAL SERVICE.—Except
21 as described in subsection (b)(1)(B) and subsections (e)
22 through (g), no covered individual may, directly or indi-
23 rectly, own or trade a covered investment.

24 “(b) COMPLIANCE.—

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

3 “(A) a covered individual may not pur-
4 chase a covered investment; and

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

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

10 “(A) 180 days for an individual who is a
11 covered individual on the date of enactment of
12 the Restore Trust in Government Act.

13 “(B) 90 days within the date on which an
14 individual becomes a covered individual if such
15 date occurs after the date of enactment of the
16 Restore Trust in Government Act.

17 “(c) CERTIFICATES OF DIVESTITURE.—

18 “(1) APPLICATION OF CERTIFICATE OF DIVES-
19 TITURE PROGRAM.—For purposes of section 1043 of
20 the Internal Revenue Code of 1986—

21 “(A) this section shall be treated as a Fed-
22 eral conflict of interest statute;

23 “(B) any covered individual described in
24 section 13151(2)(A) shall be treated as an eligi-

1 ble person described in section 1043(b)(1)(A) of
2 such Code; and

3 “(C) any spouse or dependent child de-
4 scribed in section 13151(2)(B) shall be treated
5 as an eligible person described in section
6 1043(b)(1)(B) of such Code.

7 “(2) ISSUANCE OF CERTIFICATE OF DIVESTI-
8 TURE.—

9 “(A) IN GENERAL.—Each supervising eth-
10 ics office shall issue a certificate of divestiture
11 to each covered individual required to divest
12 under this subchapter upon submission of proof
13 of compliance by such individual with the re-
14 quirements to divest or any extensions granted
15 by the supervising ethics office.

16 “(B) ELIGIBILITY.—Such certificate shall
17 include an identification of each specific prop-
18 erty eligible for the application of the certificate
19 of divestiture program as determined by the su-
20 pervising ethics office.

21 “(d) INCOME TAX.—A loss from a transaction or
22 holding involving a covered financial instrument that is
23 conducted in violation of this section may not be deducted
24 from the amount of income tax owed by the covered indi-
25 vidual.

1 “(e) OCCUPATIONAL EXCEPTION.—A spouse or de-
2 pendent child of a covered individual as described in sec-
3 tion 13151(2)(B) may trade any covered investment if
4 such covered investment is not owned by a covered indi-
5 vidual and if such trade is performed as a function of the
6 primary occupation of the spouse or dependent child.

7 “(f) TRUSTS.—

8 “(1) QUALIFIED BLIND TRUST.—Any covered
9 investment held in a qualified blind trust as defined
10 in section 13104(f)(3) shall be divested in accord-
11 ance with subsection (b)(1)(B) by the effective date
12 established in subsection (b)(2).

13 “(2) FAMILY TRUST.—A supervising ethics of-
14 fice may grant an exemption for covered investments
15 held in a family trust only if—

16 “(A) no covered individual—

17 “(i) is a grantor of the family trust;

18 “(ii) contributed any covered invest-
19 ment to the family trust; or

20 “(iii) has any authority over a trustee
21 of the family trust, including the authority
22 to appoint, replace, or direct the actions of
23 such a trustee; and

24 “(B) the grantor of the family trust is or
25 was a family member of the covered individual.

1 “(3) REQUESTS.—A covered individual seeking
2 an exemption under paragraph (2) shall submit to
3 the applicable supervising ethics office a request for
4 the exemption, in writing, certifying that the condi-
5 tions described in that paragraph are met.

6 “(g) ASSETS ACQUIRED IN SPECIAL CIR-
7 CUMSTANCES.—In the event that a covered individual ac-
8 quires a covered investment after the date of enactment
9 of the Restore Trust in Government Act other than by
10 purchase (such as by marriage, inheritance, divorce settle-
11 ment, or other circumstance), the covered individual shall
12 have 90 days from the date on which such investment was
13 acquired to divest such covered investment at fair market
14 value.

15 “(h) EXTENSION.—A supervising ethics office may
16 grant a covered individual an extension of time to comply
17 with a divestment deadline under this subchapter if a cov-
18 ered investment cannot be divested by such deadline due
19 to low liquidity, vesting schedules, or contractual restric-
20 tions.

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

24 **“§ 13153. Penalties**

25 “(a) IN GENERAL.—

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

5 “(A) pay a fee equal to ten percent of the
6 value of the covered investment; and

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

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

13 “(b) PAYMENT RESTRICTIONS.—A Member of Con-
14 gress may not pay any of the penalties under this section
15 by using amounts from the following sources:

16 “(1) The Members’ Representational Allowance.
17 “(2) The Senators’ Official Personnel and Of-
18 fice Expense Account.

19 “(3) Any contribution (as defined in section
20 301(8) of the Federal Election Campaign Act of
21 1971 (52 U.S.C. 30101(8))) accepted as a can-
22 didate, and any other donation received as support
23 for activities of the individual as a holder of Federal
24 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.”.

