AMENDMENT TO RULES COMMITTEE PRINT 116–7

OFFERED BY MS. JAYAPAL OF WASHINGTON

Insert after section 8014 the following:

SEC. 8015. LEGAL DEFENSE FUNDS.

(a) DEFINITIONS.—In this section—

(1) the term “Director” means the Director of the Office of Government Ethics;

(2) the term “legal defense fund” means a trust—

(A) that has only one beneficiary;

(B) that is subject to a trust agreement creating an enforceable fiduciary duty on the part of the trustee to the beneficiary, pursuant to the applicable law of the jurisdiction in which the trust is established;

(C) that is subject to a trust agreement that provides for the mandatory public disclosure of all donations and disbursements;

(D) that is subject to a trust agreement that prohibits the use of its resources for any purpose other than—

(i) the administration of the trust;
(ii) the payment or reimbursement of legal fees or expenses incurred in investigative, civil, criminal, or other legal proceedings relating to or arising by virtue of service by the trust’s beneficiary as an officer or employee, as defined in this section, or as an employee, contractor, consultant or volunteer of the campaign of the President or Vice President; or

(iii) the distribution of unused resources to a charity selected by the trustee that has not been selected or recommended by the beneficiary of the trust;

(E) that is subject to a trust agreement that prohibits the use of its resources for any other purpose or personal legal matters, including tax planning, personal injury litigation, protection of property rights, divorces, or estate probate; and

(F) that is subject to a trust agreement that prohibits the acceptance of donations, except in accordance with this section and the regulations of the Office of Government Ethics;
(3) the term “lobbying activity” has the meaning given that term in section 3 of the Lobbying Disclosure Act of 1995 (2 U.S.C. 1602);

(4) the term “officer or employee” means—

(A) an officer (as that term is defined in section 2104 of title 5, United States Code) or employee (as that term is defined in section 2105 of such title) of the executive branch of the Government;

(B) the Vice President; and

(C) the President; and

(5) the term “relative” has the meaning given that term in section 3110 of title 5, United States Code.

(b) LEGAL DEFENSE FUNDS.—An officer or employee may not accept or use any gift or donation for the payment or reimbursement of legal fees or expenses incurred in investigative, civil, criminal, or other legal proceedings relating to or arising by virtue of the officer or employee’s service as an officer or employee, as defined in this section, or as an employee, contractor, consultant or volunteer of the campaign of the President or Vice President except through a legal defense fund that is certified by the Director of the Office of Government Ethics.
(c) LIMITS ON GIFTS AND DONATIONS.—Not later than 120 days after the date of the enactment of this Act, the Director shall promulgate regulations establishing limits with respect to gifts and donations described in subsection (b), which shall, at a minimum—

(1) prohibit the receipt of any gift or donation described in subsection (b)—

(A) from a single contributor (other than a relative of the officer or employee) in a total amount of more than $5,000 during any calendar year;

(B) from a registered lobbyist;

(C) from a foreign government or an agent of a foreign principal;

(D) from a State government or an agent of a State government;

(E) from any person seeking official action from, or seeking to do or doing business with, the agency employing the officer or employee;

(F) from any person conducting activities regulated by the agency employing the officer or employee;

(G) from any person whose interests may be substantially affected by the performance or
nonperformance of the official duties of the officer or employee;

(H) from an officer or employee of the executive branch;

(I) from any organization a majority of whose members are described in (A)–(H); or

(J) require that a legal defense fund, in order to be certified by the Director only permit distributions to the officer or employee.

(d) Written Notice.—

(1) In general.—An officer or employee who wishes to accept funds or have a representative accept funds from a legal defense fund shall first ensure that the proposed trustee of the legal defense fund submits to the Director the following information:

(A) The name and contact information for any proposed trustee of the legal defense fund.

(B) A copy of any proposed trust document for the legal defense fund.

(C) The nature of the legal proceeding (or proceedings), investigation or other matter which give rise to the establishment of the legal defense fund.
(D) An acknowledgment signed by the officer or employee and the trustee indicating that they will be bound by the regulations and limitation under this section.

(2) APPROVAL.—An officer or employee may not accept any gift or donation to pay, or to reimburse any person for, fees or expenses described in subsection (b) of this section except through a legal defense fund that has been certified in writing by the Director following that office’s receipt and approval of the information submitted under paragraph (1) and approval of the structure of the fund.

(e) REPORTING.—

(1) IN GENERAL.—An officer or employee who establishes a legal defense fund may not directly or indirectly accept distributions from a legal defense fund unless the fund has provided the Director a quarterly report for each quarter of every calendar year since the establishment of the legal defense fund that discloses, with respect to the quarter covered by the report—

(A) the source and amount of each contribution to the legal defense fund; and

(B) the amount, recipient, and purpose of each expenditure from the legal defense fund,
including all distributions from the trust for any purpose.

(2) PUBLIC AVAILABILITY.—The Director shall make publicly available online—

(A) each report submitted under paragraph (1) in a searchable, sortable, and downloadable form;

(B) each trust agreement and any amendment thereto;

(C) the written notice and acknowledgment required by subsection (d); and

(C) the Director’s written certification of the legal defense fund.

(f) RECUSAL.—An officer or employee, other than the President and the Vice President, who is the beneficiary of a legal defense fund may not participate personally and substantially in any particular matter in which the officer or employee knows a donor of any source of a gift or donation to the legal defense fund established for the officer or employee has a financial interest, for a period of two years from the date of the most recent gift or donation to the legal defense fund.