

AMENDMENT TO RULES COMMITTEE PRINT 119–

6

OFFERED BY MR. NEGUSE OF COLORADO

Add at the end the following:

1 **SEC. ____ . PROHIBITED FINANCIAL TRANSACTIONS.**

2 (a) DEFINITIONS.—In this section:

3 (1) COVERED ELECTION.—The term “covered
4 election” means an election for the office of—

5 (A) President;

6 (B) Vice President;

7 (C) United States Senator;

8 (D) United States Representative;

9 (E) Delegate to Congress; or

10 (F) Resident Commissioner of Puerto Rico.

11 (2) COVERED INDIVIDUAL.—The term “covered
12 individual” means—

13 (A) the President;

14 (B) the Vice President;

15 (C) a United States Senator;

16 (D) a United States Representative;

17 (E) a Delegate to Congress;

18 (F) a Resident Commissioner of Puerto

19 Rico; or

1 (G) a candidate in a covered election.

2 (3) COVERED INVESTMENT.—The term “cov-
3 ered investment” means any digital asset.

4 (4) DIGITAL ASSET.—The term “digital asset”
5 means any digital representation of value that is re-
6 corded on a cryptographically secured distributed
7 ledger or any similar technology.

8 (5) PROHIBITED FINANCIAL TRANSACTION.—

9 (A) IN GENERAL.—The term “prohibited
10 financial transaction” means—

11 (i) any issuance, sponsorship, or en-
12 dorsement of a covered investment;

13 (ii) any purchase, sale, holding, or
14 other conduct that causes a covered indi-
15 vidual to obtain a covered investment;

16 (iii) any acquisition of any financial
17 interest comparable to an interest de-
18 scribed in clause (i) or (ii) through syn-
19 thetic means, such as the use of a deriva-
20 tive, including an option, warrant, or other
21 similar means; or

22 (iv) any acquisition of any financial
23 interest comparable to an interest de-
24 scribed in clause (i) or (ii) as part of an
25 aggregation or compilation of such inter-

1 ests through a mutual fund, exchange-
2 traded fund, or other similar means.

3 (6) QUALIFIED BLIND TRUST.—The term
4 “qualified blind trust” means a qualified blind trust
5 (as defined in section 13104(f)(3) of title 5, United
6 States Code) that has been approved in writing by
7 the applicable supervising ethics office under sub-
8 paragraph (D) of such section 13104(f)(3).

9 (b) PROHIBITED FINANCIAL TRANSACTIONS.—Ex-
10 cept as provided in subsection (c), a covered individual
11 may not engage in any prohibited financial transaction
12 during—

13 (1) the period beginning on the date of filing as
14 a candidate in a covered Federal election and ending
15 on the date of the covered Federal election;

16 (2) the term of service of the covered individual;
17 and

18 (3) the 1-year period beginning on the date on
19 which the service of the covered individual is termi-
20 nated.

21 (c) QUALIFIED BLIND TRUST.—

22 (1) IN GENERAL.—During any of the periods
23 described in subsection (b), for each covered invest-
24 ment owned by a covered individual, the covered in-
25 dividual shall place the covered investment in a

1 qualified blind trust, including by establishing a
2 qualified blind trust for that purpose, if necessary.

3 (2) QUALIFIED BLIND TRUST REQUIRE-
4 MENTS.—A qualified blind trust may not be estab-
5 lished for purposes of complying with this section
6 without the prior approval of the applicable super-
7 vising ethics office. With respect to any such trust
8 so approved, the applicable trustee—

9 (A) shall divest of any such instrument
10 placed in the trust not later than 6 months
11 after the trust is established;

12 (B) shall certify to the applicable super-
13 vising ethics office on an annual basis that the
14 trustee has not provided any information on the
15 trust's assets or transactions to the applicable
16 covered individual; and

17 (C) may not have a close personal or busi-
18 ness relationship with the applicable covered in-
19 dividual.

20 (d) REPORTING REQUIREMENTS.—

21 (1) SUPERVISING ETHICS OFFICES.—Each su-
22 pervising ethics office shall make available on the
23 public website of the supervising ethics office a copy
24 of any qualified blind trust agreement of each cov-
25 ered individual.

1 (2) AMENDMENT.—Section 13101(18) of title
2 5, United States Code, is amended—

3 (A) in subparagraph (C), by striking
4 “and” at the end;

5 (B) in subparagraph (D), by striking the
6 period and inserting “; and”; and

7 (C) by adding at the end the following:

8 “(E) the Federal Election Commission for
9 a candidate in an election for the office of
10 President, Vice President, United States Sen-
11 ator, United States Representative, Delegate to
12 Congress, or Resident Commissioner of Puerto
13 Rico.”.

14 (e) LIABILITY AND IMMUNITY.—For purposes of any
15 immunities to civil or criminal liability, any conduct com-
16 prising or relating to a prohibited financial transaction
17 under this section shall be deemed an unofficial act and
18 beyond the scope of the official duties of the relevant cov-
19 ered individual.

20 (f) CIVIL PENALTIES.—

21 (1) CIVIL ACTION.—The Attorney General may
22 bring a civil action in any appropriate district court
23 of the United States against any covered individual
24 who violates subsection (b).

1 (2) CIVIL PENALTY.—Any covered individual
2 who knowingly violates subsection (b) shall be sub-
3 ject to a civil monetary penalty of not more than
4 \$250,000.

5 (3) DISGORGEMENT.—A covered individual who
6 is found in a civil action under paragraph (1) to
7 have violated subsection (b) shall disgorge to the
8 Treasury of the United States any profit from the
9 unlawful activity that is the subject of that civil ac-
10 tion.

11 (g) CRIMINAL PENALTIES.—

12 (1) IN GENERAL.—It shall be unlawful for a
13 covered individual to—

14 (A) knowingly violate subsection (b); and

15 (B) through such violation—

16 (i) causes an aggregate loss of not less
17 than \$1,000,000 to 1 or more persons in
18 the United States; or

19 (ii) benefits financially, through prof-
20 it, gain, or advantage, directly or indirectly
21 through any family member or business as-
22 sociate of the covered individual, from a
23 prohibited financial transaction.

24 (2) PENALTY.—A covered individual who vio-
25 lates paragraph (1) shall be fined under title 18,

1 United States Code, imprisoned for not more 18
2 than years, or both.

