

AMENDMENT NO. \_\_\_\_\_ Calendar No. \_\_\_\_\_

Purpose: To prohibit the Office of Strategic Capital of the Department of Defense from making equity investments in entities in which certain senior government officials hold a significant interest.

**IN THE SENATE OF THE UNITED STATES—119th Cong., 2d Sess.**

**S.** \_\_\_\_\_

To authorize appropriations for fiscal year 2027 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe military personnel strengths for such fiscal year, and for other purposes.

Referred to the Committee on \_\_\_\_\_ and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Ms. WARREN

Viz:

1 At the appropriate place in title X, insert the following:  
2

3 **SEC. 10\_\_\_. PROHIBITION ON EQUITY INVESTMENTS FOR**  
4 **ENTITIES IN WHICH CERTAIN SENIOR GOV-**  
5 **ERNMENT OFFICIALS HOLD A SIGNIFICANT**  
6 **INTEREST.**

7 Subsection (h) of section 149 of title 10, United  
8 States Code, as amended by section [ROS26896], is further amended—  
9

1           (1) by redesignating paragraph (9) as para-  
2 graph (10); and

3           (2) by inserting after paragraph (8) the fol-  
4 lowing new paragraph (9):

5           “(9) PROHIBITION ON EQUITY INVESTMENTS  
6 FOR CERTAIN ENTITIES.—

7           “(A) IN GENERAL.—Notwithstanding any  
8 other provision of this section or any other pro-  
9 vision of law, a covered entity is not eligible for  
10 an equity investment under this subsection.

11           “(B) DEFINITIONS.—In this paragraph:

12           “(i) COVERED ENTITY.—The term  
13 ‘covered entity’ means an entity in which a  
14 covered individual directly or indirectly  
15 holds a significant interest. For the pur-  
16 pose of determining whether an entity is a  
17 covered entity, if securities of the entity  
18 are owned, controlled, or held by 2 or more  
19 individuals who are related as described in  
20 clause (ii), such securities shall be aggre-  
21 gated.

22           “(ii) COVERED INDIVIDUAL.—The  
23 term ‘covered individual’ means—

24           “(I) the President, the Vice  
25 President, or any other individual des-

1           ignated by the President as having  
2           Cabinet-level status;

3                   “(II) the spouse, child, son-in-  
4           law, or daughter-in-law of an indi-  
5           vidual described in subclause (I); or

6                   “(III) any officer or employee of  
7           the executive branch, including a spe-  
8           cial Government employee (as defined  
9           in section 202 of title 18), who par-  
10          ticipates in the consideration, negotia-  
11          tion, approval, or administration of  
12          equity investments under this sub-  
13          section.

14                   “(iii) EQUITY INTEREST.—The term  
15          ‘equity interest’ means—

16                   “(I) a share in an entity, without  
17          regard to whether the share is—

18                           “(aa) transferable; or

19                           “(bb) classified as stock or  
20          anything similar;

21                   “(II) a capital or profit interest  
22          in a limited liability company or part-  
23          nership;

24                   “(III) a capital or profit interest  
25          in a venture capital fund, private eq-

1                   uity fund, fund of funds, or other  
2                   pooled investment fund; or

3                   “(IV) a warrant or right (other  
4                   than a right to convert) to purchase,  
5                   sell, or subscribe to a share or interest  
6                   described in subclause (I), (II), or  
7                   (III).

8                   “(iv) DE MINIMIS INTEREST.—The  
9                   term ‘de minimis interest’ means an equity  
10                  interest in an entity that—

11                  “(I) does not exceed the thresh-  
12                  old specified in section 2640.202(a)(2)  
13                  of title 5, Code of Federal Regulations  
14                  (or a successor regulation);

15                  “(II) is purchased and owned as  
16                  part of an Excepted Investment Fund  
17                  (as defined in section 988 of this title)  
18                  or a mutual fund; or

19                  “(III) is purchased and owned as  
20                  part of a widely diversified employee  
21                  benefit plan or a pension established  
22                  and maintained by a Federal, State,  
23                  or local government.

24                  “(v) SIGNIFICANT INTEREST.—The  
25                  term ‘significant interest’, with respect to

1 an entity, means owning, controlling, or  
2 holding any equity interest, other than a  
3 de minimis interest, in the entity.”.