

AMENDMENT TO RULES COMMITTEE PRINT

118-36

OFFERED BY MS. TLAIB OF MICHIGAN

Add at the end of subtitle C of title XVII of division

A the following:

1 **SEC. ____ . BAN ON CERTAIN DEFENSE INDUSTRY STOCK**
2 **TRADING AND OWNERSHIP BY MEMBERS OF**
3 **CONGRESS, SPOUSES, AND DEPENDENT CHIL-**
4 **DREN.**

5 (a) **SHORT TITLE.**—This section may be cited as the
6 “Stop Politicians Profiting from War Act of 2024”.

7 (b) **DEFINITIONS.**—In this section:

8 (1) **COMMODITY.**—The term “commodity” has
9 the meaning given that term in section 1a of the
10 Commodity Exchange Act (7 U.S.C. 1a).

11 (2) **COVERED DEFENSE CONTRACTOR.**—The
12 term “covered defense contractor” means a person,
13 other than an institution of higher education (as de-
14 fined under section 101 of the Higher Education Act
15 of 1965 (20 U.S.C. 1001) or a non-profit medical
16 treatment facility, that has entered into a contract,
17 transaction, or other agreement with the Depart-
18 ment of Defense.

1 (3) DIVERSIFIED.—The term “diversified”,
2 with respect to a fund, trust, or plan, means that
3 the fund, trust, or plan does not have a stated policy
4 of concentrating its investments in any industry,
5 business, single country other than the United
6 States, or bonds of a single State.

7 (4) MEMBER OF CONGRESS.—The term “Mem-
8 ber of Congress” has the meaning given that term
9 in section 13101 of title 5, United States Code.

10 (5) SECURITY.—The term “security” has the
11 meaning given that term in section 3(a) of Securities
12 Exchange Act of 1934 (15 U.S.C. 78e(a)).

13 (6) WIDELY HELD INVESTMENT FUND.—The
14 term “widely held investment fund” means a widely
15 held investment fund described in 13104(f)(8) of
16 title 5, United States Code.

17 (c) DIVESTMENT OF ASSETS.—

18 (1) IN GENERAL.—Except as provided in sub-
19 section (d), no Member of Congress, spouse of a
20 Member of Congress, or dependent child of a Mem-
21 ber of Congress may have a financial interest in a
22 covered defense contractor, or may own an interest
23 in or trade (except as a divestment) any stock, bond,
24 commodity, future, or other form of security the
25 value of which is significantly based upon a covered

1 defense contractor or an entity in the defense indus-
2 trial base, including an interest in a hedge fund, a
3 derivative, option, or other complex investment vehi-
4 cle.

5 (2) IMPLEMENTATION.—

6 (A) CURRENT MEMBERS.—

7 (i) IN GENERAL.—Except as provided
8 in clause (ii), an individual who is a Mem-
9 ber of Congress on the date of the enact-
10 ment of this section, or the spouse or de-
11 pendent child of such an individual, shall
12 complete the divestment of any asset de-
13 scribed in paragraph (1) by not later than
14 120 days after the date of enactment of
15 this section.

16 (ii) CERTAIN ASSETS.—For an asset
17 described in paragraph (1) that is an inter-
18 est in a hedge fund, venture capital fund,
19 or other privately held complex investment
20 vehicle, an individual who is a Member of
21 Congress on the date of enactment of this
22 section, or the spouse or dependent child of
23 such an individual, shall complete the di-
24 vestment of the asset by not later than 180

1 days after the date of enactment of this
2 section.

3 (iii) APPLICATION.—This subpara-
4 graph shall apply to a covered defense con-
5 tractor that is performing or has per-
6 formed a contract for the Department of
7 Defense during the 5-year period preceding
8 the date of the enactment of this section.

9 (B) NEW MEMBERS.—

10 (i) IN GENERAL.—Except as provided
11 in clause (ii), an individual who becomes a
12 Member of Congress after the date of en-
13 actment of this section, or who is the
14 spouse of such an individual, shall com-
15 plete the divestment of any asset described
16 in paragraph (1) by not later than 120
17 days after the date on which the individual
18 becomes a Member of Congress.

19 (ii) CERTAIN ASSETS.—For an asset
20 described in paragraph (1) that is an inter-
21 est in a hedge fund, venture capital fund,
22 or other privately held complex investment
23 vehicle, an individual who becomes a Mem-
24 ber of Congress after the date of enact-
25 ment of this section, or who is the spouse

1 or dependent child of such an individual,
2 shall complete the divestment of the asset
3 by not later than 180 days after the date
4 on which the individual becomes a Member
5 of Congress.

6 (iii) APPLICATION.—This subpara-
7 graph shall apply to a covered defense con-
8 tractor that is performing or has per-
9 formed a contract for the Department of
10 Defense during the 5-year period preceding
11 the date on which the individual becomes a
12 Member of Congress.

13 (C) DIVESTMENT OF ASSETS RECEIVED
14 WHILE A MEMBER.—An individual serving as a
15 Member of Congress, or the spouse or depend-
16 ent child of such an individual, who receives
17 any asset described in paragraph (1) during the
18 period of such service, such as from an inherit-
19 ance, shall complete the divestment of the asset
20 by not later than 120 days after the date on
21 which the individual or spouse receives the
22 asset.

23 (D) QUALIFIED BLIND TRUST PROHIB-
24 ITED.—Placing an asset described in paragraph
25 (1) in a qualified blind trust (as that term is

1 defined in section 13104(f)(3) of title 5, United
2 States Code), or any other blind trust, shall not
3 qualify as a divestment under such paragraph
4 for purposes of compliance with the require-
5 ments of this Act.

6 (d) EXCEPTIONS.—Nothing in this section shall be
7 construed to prevent—

8 (1) a Member of Congress or their spouse or
9 dependent child from owning or trading—

10 (A) a widely held investment fund, if the
11 widely held investment fund—

12 (i) does not present a conflict of inter-
13 est;

14 (ii) is diversified; and

15 (iii) in the literature it distributes to
16 prospective and current investors or par-
17 ticipants, does not indicate the objective or
18 practice of concentrating its investments in
19 covered defense contractors or entities in
20 the defense industrial base, if the Member
21 of Congress, or the spouse or dependent
22 child of such an individual, neither exer-
23 cises control nor has the ability to exercise
24 control over the financial interests held in
25 the fund;

1 (B) shares of Settlement Common Stock
2 issued under section 7(g)(1)(A) of the Alaska
3 Native Claims Settlement Act (43 U.S.C.
4 1606(g)(1)(A));

5 (C) shares of Settlement Common Stock,
6 as defined in section 3 of the Alaska Native
7 Claims Settlement Act (43 U.S.C. 1602);

8 (D) a United States Treasury bill, note, or
9 bond;

10 (E) an investment fund held in a Federal,
11 State, or local government employee retirement
12 plan; or

13 (F) an interest in an investment fund reg-
14 istered as an investment company under section
15 3 of the Investment Company Act of 1940 (15
16 U.S.C. 80a-3) that is diversified; and

17 (2) a spouse or dependent child of a Member of
18 Congress from trading any asset described in sub-
19 section (c)(1) that is not owned by the spouse, child,
20 or Member of Congress in the course of performing
21 the primary occupation of the spouse or child.

22 (e) CIVIL FINES.—The Attorney General or the Spe-
23 cial Counsel may bring a civil action in the appropriate
24 United States district court against any Member of Con-
25 gress or their spouse or dependent child who engages in

1 conduct constituting a violation of this section and, upon
2 proof of such conduct by a preponderance of the evidence,
3 such Member of Congress, spouse, or child (as the case
4 may be) shall be subject to a civil penalty of not more
5 than \$50,000 for each violation. The imposition of a civil
6 penalty under this subsection does not preclude any other
7 criminal or civil statutory, common law, or administrative
8 remedy, which is available by law to the United States or
9 any other person.

10 (f) NONRECOGNITION OF GAIN.—

11 (1) IN GENERAL.—Paragraph (1) of section
12 1043(b) of the Internal Revenue Code of 1986 is
13 amended—

14 (A) by striking “and” at the end of sub-
15 paragraph (A);

16 (B) by redesignating subparagraph (B) as
17 subparagraph (C);

18 (C) by inserting after subparagraph (A)
19 the following new subparagraph:

20 “(B) any Member of Congress or Member
21 of Congress-elect, but only with respect to a di-
22 vestment of property required by the Stop Poli-
23 ticians Profiting from War Act of 2024, and”;
24 and

1 (D) by striking “subparagraph (A)” in
2 subparagraph (C), as so redesignated, and in-
3 serting “subparagraph (A) or (B), whichever is
4 applicable”.

5 (2) CERTIFICATE OF DIVESTITURE.—Subpara-
6 graph (B) of section 1043(b)(2) of such Code is
7 amended—

8 (A) by striking “or by” and inserting
9 “by”; and

10 (B) by inserting “, or by the applicable
11 congressional ethics committee (as that term is
12 defined in section 13101 of title 5), in the case
13 of Members of Congress, Members of Congress-
14 elect, and spouses of Members of Congress and
15 Members of Congress-elect” after “judicial offi-
16 cers”.

17 (3) EFFECTIVE DATE.—The amendments made
18 by this subsection shall apply to sales of property
19 after the date of the enactment of this section.

20 (g) INTERPRETIVE GUIDANCE.—The Select Com-
21 mittee on Ethics of the Senate and the Committee on Eth-
22 ics of the House of Representatives shall issue interpretive
23 guidance regarding relevant terms not defined in this sec-
24 tion.

