

112TH CONGRESS
1ST SESSION

H. R. 3550

To amend the Ethics in Government Act of 1978 to require certain individuals subject to that Act to either place their securities in a blind trust or to report the sale, purchase, or exchange of securities.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 2, 2011

Mr. DUFFY introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committees on House Administration and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Ethics in Government Act of 1978 to require certain individuals subject to that Act to either place their securities in a blind trust or to report the sale, purchase, or exchange of securities.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Restoring Ethical
5 Standards, Transparency, and Responsibility in Congres-
6 sional Trading Act” or the “RESTRICT Act”.

1 **SEC. 2. REQUIREMENT TO USE BLIND TRUST OR FILE RE-**
2 **PORTS.**

3 The Ethics in Government Act of 1978 (5 U.S.C.
4 App.) is amended by inserting after section 101 the fol-
5 lowing new section:

6 **“SEC. 101A. INDIVIDUALS REQUIRED TO ESTABLISH A**
7 **BLIND TRUST OR FILE REPORTS.**

8 “(a) REQUIREMENT.—Individuals described in sec-
9 tion 101(f) shall—

10 “(1) place all of such individual’s stocks, bonds,
11 commodities futures, and other forms of securities,
12 including securities held jointly with such individ-
13 ual’s spouse or dependent child, in a qualified blind
14 trust (as defined under section 102(f)(3)); or

15 “(2) file a report with the appropriate office
16 under section 103 that contains a brief description,
17 the date, and category of value of any purchase,
18 sale, or exchange in stocks, bonds, commodities fu-
19 tures, and other forms of securities, including securi-
20 ties jointly held with such individual’s spouse or de-
21 pendent child, not later than 3 business days after
22 such purchase, sale, or exchange is settled.

23 “(b) EXEMPTION.—Subsection (a) shall not apply to
24 the financial interests or benefits described under section
25 102(i).

26 “(c) FAILURE TO COMPLY.—

1 “(1) CIVIL PENALTY.—The Attorney General
2 may bring a civil action in any appropriate United
3 States district court against any individual subject
4 to subsection (a) who knowingly and willfully fal-
5 sifies or who knowingly and willfully fails to file a
6 report under subsection (a)(2) if such individual
7 does not place such individual’s securities in a quali-
8 fied blind trust under subsection (a)(1). The court
9 in which such action is brought may assess against
10 such individual a civil penalty in any amount, not to
11 exceed \$50,000.

12 “(2) CRIMINAL PENALTY.—

13 “(A) It shall be unlawful for any individual
14 subject to subsection (a) to knowingly and will-
15 ingly falsify any information that such indi-
16 vidual is required to report under subsection
17 (a)(2) or to knowingly and willfully fail to file
18 a report under subsection (a)(2) if such indi-
19 vidual does not place such individual’s securities
20 in a qualified blind trust under subsection
21 (a)(1).

22 “(B) Any individual subject to subsection
23 (a) who violates subparagraph (A) shall be
24 fined under title 18, United States Code.”.

1 **SEC. 3. EFFECTIVE DATE.**

2 The amendments made by section 2 shall take effect

3 30 days after the date of the enactment of this Act.

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