

112TH CONGRESS
1ST SESSION

H. R. 3639

To amend the Ethics in Government Act of 1978 to require federally elected officials to place their stocks, bonds, commodities futures, and other forms of securities in a blind trust.

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 13, 2011

Mr. NUGENT introduced the following bill; which was referred to the Committee on Oversight and Government Reform, and in addition to the Committee on House Administration, 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 federally elected officials to place their stocks, bonds, commodities futures, and other forms of securities in a blind trust.

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 “Prevent Insider Trad-
5 ing by Elected Officials Act”.

1 **SEC. 2. REQUIREMENT OF ELECTED OFFICIALS TO USE**
2 **BLIND TRUST.**

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. ELECTED OFFICIALS REQUIRED TO ESTABLISH**
7 **A BLIND TRUST.**

8 “(a) **REQUIREMENT.**—The President, Vice President,
9 and each Member of Congress shall place all of such per-
10 son’s stocks, bonds, commodities futures, and other forms
11 of securities, including securities held jointly with such
12 person’s spouse, in a qualified blind trust (as defined in
13 section 102(f)(3)).

14 “(b) **EXCLUSION.**—Subsection (a) shall not apply to
15 the financial interests or benefits described under section
16 102(i).

17 “(c) **TIMING AND EXTENSION.**—

18 “(1) **IN GENERAL.**—The President, Vice Presi-
19 dent, and each Member of Congress shall comply
20 with subsection (a) not later than 30 days after tak-
21 ing office, or in the case of those persons serving in
22 those offices on the date of enactment of the Prevent
23 Insider Trading by Elected Officials Act, not later
24 than 30 days after such date of enactment.

25 “(2) **EXTENSION.**—

1 “(A) The President and Vice President
2 may file with the Director of the Office of Gov-
3 ernment Ethics for an additional 30 day exten-
4 sion to comply with subsection (a).

5 “(B) A Member of Congress may file, with
6 the Clerk of the House of Representatives in
7 the case of a Representative or Delegate of
8 Congress and the Resident Commissioner from
9 Puerto Rico, and with the Secretary of the Sen-
10 ate, in the case of a Senator, for an additional
11 30 day extension to comply with subsection (a).

12 “(d) CIVIL PENALTY FOR FAILURE TO COMPLY.—
13 The Attorney General may bring a civil action in any ap-
14 propriate United States district court against the Presi-
15 dent, Vice President, or any Member of Congress who
16 knowingly and willfully fails to comply with subsection (a)
17 by the end of the time period specified in subsection (c).
18 The court in which such action is brought may assess
19 against such person a civil penalty not to exceed
20 \$50,000.”.

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