II

117TH CONGRESS
2D SESSION

S. 3716

To require Federal financial regulators to create a publicly available database for certain bad actors, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MARCH 1, 2022

Mr. KENNEDY (for himself and Ms. LUMMIS) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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A BILL

To require Federal financial regulators to create a publicly available database for certain bad actors, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Tracking Bad Actors Act of 2022".

SEC. 2. DEFINITION.

In this Act, the term "Federal financial regulator" means—

(1) the Commodity Futures Trading Commission;

(2) the Securities and Exchange Commission;

(3) the Office of the Comptroller of the Currency;

(4) the Federal Deposit Insurance Corporation;

(5) the Financial Industry Regulatory Agency; and

(6) the Public Company Accounting Oversight Board.

SEC. 3. DATABASE.

(a) IN GENERAL.—Not later than 3 years after the date of enactment of this Act, the Federal financial regulators shall jointly establish a publicly available database of persons convicted or held liable in criminal, civil, and administrative actions relating to financial services brought by—

(1) any Federal financial regulator, to the greatest extent practicable;

(2) the Department of Justice;

(3) any self-regulatory organization or similar entity overseen by a Federal financial regulator if required by such regulator; or

(4) any State or local criminal or regulatory agency that voluntarily submits information to the database.

(b) OVERSIGHT.—The Securities and Exchange Commission shall be the lead agency responsible for oversight of the database established under subsection (a).

(c) FREE ACCESS.—The information in the database established under subsection (a) shall be free of charge to the public.

(d) OPERATION.—The database established under subsection (a) shall be operated by a Federal agency or maintained by a third party.

(e) EXPUNGEMENT.—Any agency who submits information to the database under subsection (a) shall expunge any enforcement action brought by the agency if the action is—

(1) overturned upon judicial review; or

(2) withdrawn by the agency.

(f) REPORTS.—

(1) FEDERAL FINANCIAL REGULATORS.—The Federal financial regulators shall jointly submit to Congress an annual report on the database during the period beginning on the date of enactment of this Act and ending on the date on which the database is operational.

(2) GAO REPORT.—Not later than 5 years after the date on which the database is operational, the Comptroller General of the United States shall submit to Congress a report on the database.

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