

116TH CONGRESS
2D SESSION

H. R. 6461

To prohibit senior Government officials, including Members of Congress, from purchasing or selling certain investments, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 7, 2020

Ms. GABBARD introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Agriculture, Oversight and Reform, 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 prohibit senior Government officials, including Members of Congress, from purchasing or selling certain investments, and for other purposes.

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 “Integrity for Public
5 Officials Act” or the “IPO Act”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

1 (1) the term “commodity” has the meaning
2 given the term in section 1a of the Commodity Ex-
3 change Act (7 U.S.C. 1a);

4 (2) the term “covered investment”—

5 (A) means investment in a security, a com-
6 modity, or a future, or any comparable eco-
7 nomic interest acquired through synthetic
8 means such as the use of a derivative; and

9 (B) does not include—

10 (i) a widely held investment fund de-
11 scribed in section 102(f)(8) of the Ethics
12 in Government Act of 1978 (5 U.S.C.
13 App.); or

14 (ii) a United States Treasury bill,
15 note, or bond;

16 (3) the term “covered person” means—

17 (A) any individual described in section
18 101(f) of the Ethics in Government Act of 1978
19 (5 U.S.C. App.), including—

20 (i) any individual in a position on any
21 level of the Executive Schedule under sub-
22 chapter II of chapter 53 of title 5, United
23 States Code;

1 (ii) a political appointee in the Execu-
2 tive Office of President or in the Office of
3 the Vice President; and

4 (iii) an individual employed in a posi-
5 tion in the executive branch of the Govern-
6 ment of a confidential or policy-deter-
7 mining character under schedule C of sub-
8 part C of part 213 of title 5, Code of Fed-
9 eral Regulations;

10 (B) an individual employed in a position in
11 the Senior Executive Service;

12 (C) an individual employed in a position at
13 the GS-14 level or higher;

14 (D) an individual employed in a position
15 not under the General Schedule for which the
16 rate of basic pay is equal to or greater than the
17 minimum rate of basic pay payable for GS-14
18 of the General Schedule; and

19 (E) the spouse of any Member of Congress
20 (as that term is defined in section 109(12) of
21 the Ethics in Government Act of 1978 (5
22 U.S.C. App.));

23 (4) the term “future” means a financial con-
24 tract obligating the buyer to purchase an asset or
25 the seller to sell an asset, such as a physical com-

1 modity or a financial instrument, at a predetermined
2 future date and price; and

3 (5) the term “security” has the meaning given
4 the term in section 3(a) of the Securities Exchange
5 Act of 1934 (15 U.S.C. 78c(a)).

6 **SEC. 3. PROHIBITIONS.**

7 (a) TRANSACTIONS.—Except as provided in sections
8 4 and 5, no covered person may—

9 (1) purchase or sell any covered investment; or

10 (2) enter into a transaction that creates a net
11 short position in any security.

12 (b) POSITIONS.—A covered person may not serve as
13 an officer or member of any board of any for-profit asso-
14 ciation, corporation, or other entity.

15 **SEC. 4. EXCEPTIONS.**

16 (a) INVESTMENTS HELD BEFORE TAKING OF-
17 FICE.—

18 (1) IN GENERAL.—A covered person may have
19 control over or knowledge of the management of any
20 covered investment held by the covered person as of
21 the day before the date on which the covered person
22 took office (or in the case of a spouse described in
23 section 2(3)(E), the date the applicable Member of
24 Congress took office).

1 (2) PROHIBITION ON PURCHASING OR SELL-
2 ING.—A covered person may not buy or sell any in-
3 vestment described in paragraph (1) except in the
4 case of—

5 (A) placing the investment in a qualified
6 blind trust described in section 5; or

7 (B) divesting themselves of any investment
8 under subsection (b).

9 (b) DIVESTITURE.—A covered person may sell a cov-
10 ered investment during the 6-month period beginning
11 on—

12 (1) the date on which the covered person takes
13 office (or in the case of a spouse described in section
14 2(3)(E), the date the applicable Member of Congress
15 took office); or

16 (2) the date of enactment of this Act.

17 **SEC. 5. TRUSTS FOR LEGISLATIVE BRANCH OF GOVERN-**
18 **MENT.**

19 (a) IN GENERAL.—Consistent with section 7, on a
20 case-by-case basis, the Select Committee on Ethics may
21 authorize a covered person to place their securities hold-
22 ings in a qualified blind trust approved by the committee
23 under section 102(f) of the Ethics in Government Act of
24 1978 (5 U.S.C. App.).

1 (b) BLIND TRUST.—Consistent with section 7, a
2 blind trust permitted under this section shall meet the cri-
3 teria in section 102(f)(4)(B) of the Ethics in Government
4 Act of 1978 (5 U.S.C. App.), unless an alternative ar-
5 rangement is approved by the Select Committee on Ethics.

6 **SEC. 6. ADMINISTRATION FOR LEGISLATIVE BRANCH OF**
7 **GOVERNMENT.**

8 (a) IN GENERAL.—Consistent with section 7, the pro-
9 visions of this Act shall be administered by the Select
10 Committee on Ethics of the Senate and the Committee
11 on Ethics of the House of Representatives.

12 (b) GUIDANCE.—Consistent with section 7, the Select
13 Committee on Ethics of the Senate and the Committee
14 on Ethics of the House of Representatives are authorized
15 to issue guidance on any matter contained in this Act, in-
16 cluding—

17 (1) whether a covered person or spouse of a
18 covered person may hold an employee stock option,
19 or similar instrument, that had not vested before the
20 date on which the covered person was elected; and

21 (2) the process and timeline for when a covered
22 person or spouse of a covered person shall no longer
23 serve as an officer or member of any board of any
24 for-profit association, corporation, or other entity.

1 **SEC. 7. ADMINISTRATION FOR EXECUTIVE AND JUDICIAL**
2 **BRANCHES OF GOVERNMENT.**

3 With respect to—

4 (1) a covered person who is an officer or em-
5 ployee of the executive branch of the Government,
6 the Director of the Office of Government Ethics
7 shall carry out sections 5 and 6; and

8 (2) a covered person who is an officer or em-
9 ployee of the judicial branch of the Government, the
10 Judicial Conference shall carry out such sections.

11 **SEC. 8. ENFORCEMENT.**

12 Whoever knowingly fails to comply with this Act shall
13 be subject to a civil penalty of not less than 10 percent
14 of the value of the covered investment that was purchased
15 or sold or the security in which a net short position was
16 created in violation of this Act, as applicable.

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