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S. 2038

One Hundred Twelfth Congress of the United States of America

AT THE SECOND SESSION

Begun and held at the City of Washington on Tuesday, the third day of January, two thousand and twelve

An Act

To prohibit Members of Congress and employees of Congress from using nonpublic information derived from their official positions for personal benefit, 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 "Stop Trading on Congressional Knowledge Act of 2012" or the "STOCK Act".

SEC. 2. DEFINITIONS.

In this Act:

(1) MEMBER OF CONGRESS.—The term "Member of Congress" means a member of the Senate or House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico.

(2) EMPLOYEE OF CONGRESS.—The term "employee of Congress" means—

(A) any individual (other than a Member of Congress), whose compensation is disbursed by the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives; and

(B) any other officer or employee of the legislative branch (as defined in section 109(11) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(11))).

(3) EXECUTIVE BRANCH EMPLOYEE.—The term "executive branch employee"—

(A) has the meaning given the term "employee" under section 2105 of title 5, United States Code; and

(B) includes—

(i) the President;

(ii) the Vice President; and

(iii) an employee of the United States Postal Service or the Postal Regulatory Commission.

(4) JUDICIAL OFFICER.—The term "judicial officer" has the meaning given that term under section 109(10) of the Ethics in Government Act of 1978 (U.S.C. App. 109(10)).

(5) JUDICIAL EMPLOYEE.—The term "judicial employee" has the meaning given that term in section 109(8) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(8)).

(6) SUPERVISING ETHICS OFFICE.—The term "supervising ethics office" has the meaning given that term in section 109(18) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(18)).

SEC. 3. PROHIBITION OF THE USE OF NONPUBLIC INFORMATION FOR PRIVATE PROFIT.

The Select Committee on Ethics of the Senate and the Committee on Ethics of the House of Representatives shall issue interpretive guidance of the relevant rules of each chamber, including rules on conflicts of interest and gifts, clarifying that a Member of Congress and an employee of Congress may not use nonpublic information derived from such person's position as a Member of Congress or employee of Congress or gained from the performance of such person's official responsibilities as a means for making a private profit.

SEC. 4. PROHIBITION OF INSIDER TRADING.

(a) AFFIRMATION OF NONEXEMPTION.—Members of Congress and employees of Congress are not exempt from the insider trading prohibitions arising under the securities laws, including section 10(b) of the Securities Exchange Act of 1934 and Rule 10b–5 thereunder.

(b) DUTY.—

(1) PURPOSE.—The purpose of the amendment made by this subsection is to affirm a duty arising from a relationship of trust and confidence owed by each Member of Congress and each employee of Congress.

(2) AMENDMENT.—Section 21A of the Securities Exchange Act of 1934 (15 U.S.C. 78u–1) is amended by adding at the end the following:

"(g) DUTY OF MEMBERS AND EMPLOYEES OF CONGRESS.—

"(1) IN GENERAL.—Subject to the rule of construction under section 10 of the STOCK Act and solely for purposes of the insider trading prohibitions arising under this Act, including section 10(b) and Rule 10b–5 thereunder, each Member of Congress or employee of Congress owes a duty arising from a relationship of trust and confidence to the Congress, the United States Government, and the citizens of the United States with respect to material, nonpublic information derived from such person's position as a Member of Congress or employee of Congress or gained from the performance of such person's official responsibilities.

"(2) DEFINITIONS.—In this subsection—

"(A) the term 'Member of Congress' means a member of the Senate or House of Representatives, a Delegate to the House of Representatives, and the Resident Commissioner from Puerto Rico; and

"(B) the term 'employee of Congress' means—

"(i) any individual (other than a Member of Congress), whose compensation is disbursed by the Secretary of the Senate or the Chief Administrative Officer of the House of Representatives; and

"(ii) any other officer or employee of the legislative branch (as defined in section 109(11) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(11))).

"(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to impair or limit the construction of the existing antifraud provisions of the securities laws or the authority of the Commission under those provisions.".

SEC. 5. CONFORMING CHANGES TO THE COMMODITY EXCHANGE ACT.

Section 4c(a) of the Commodity Exchange Act (7 U.S.C. 6c(a)) is amended—

(1) in paragraph (3), in the matter preceding subparagraph (A)—

(A) by inserting "or any Member of Congress or employee of Congress (as such terms are defined under section 2 of the STOCK Act) or any judicial officer or judicial employee (as such terms are defined, respectively, under section 2 of the STOCK Act)" after "Federal Government" the first place it appears;

(B) by inserting "Member, officer," after "position of the"; and

(C) by inserting "or by Congress or by the judiciary" before "in a manner"; and

(2) in paragraph (4)—

(A) in subparagraph (A), in the matter preceding clause (i)—

(i) by inserting "or any Member of Congress or employee of Congress or any judicial officer or judicial employee" after "Federal Government" the first place it appears;

(ii) by inserting "Member, officer," after "position of the"; and

(iii) by inserting "or by Congress or by the judiciary" before "in a manner";

(B) in subparagraph (B), in the matter preceding clause (i), by inserting "or any Member of Congress or employee of Congress or any judicial officer or judicial employee" after "Federal Government"; and

(C) in subparagraph (C)—

(i) in the matter preceding clause (i), by inserting "or by Congress or by the judiciary"—

(I) before "that may affect"; and

(II) before "in a manner"; and

(ii) in clause (iii), by inserting "to Congress, any Member of Congress, any employee of Congress, any judicial officer, or any judicial employee," after "Federal Government,".

SEC. 6. PROMPT REPORTING OF FINANCIAL TRANSACTIONS.

(a) REPORTING REQUIREMENT.—Section 103 of the Ethics in Government Act of 1978 (5 U.S.C. App. 103) is amended by adding at the end the following subsection:

"(l) Not later than 30 days after receiving notification of any transaction required to be reported under section 102(a)(5)(B), but in no case later than 45 days after such transaction, the following persons, if required to file a report under any subsection of section 101, subject to any waivers and exclusions, shall file a report of the transaction:

"(1) The President.

"(2) The Vice President.

"(3) Each officer or employee in the executive branch, including a special Government employee as defined in section 202 of title 18, United States Code, who occupies a position classified above GS–15 of the General Schedule or, in the case of positions not under the General Schedule, for which

the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule; each member of a uniformed service whose pay grade is at or in excess of O–7 under section 201 of title 37, United States Code; and each officer or employee in any other position determined by the Director of the Office of Government Ethics to be of equal classification.

"(4) Each employee appointed pursuant to section 3105 of title 5, United States Code.

"(5) Any employee not described in paragraph (3) who is in a position in the executive branch which is excepted from the competitive service by reason of being of a confidential or policymaking character, except that the Director of the Office of Government Ethics may, by regulation, exclude from the application of this paragraph any individual, or group of individuals, who are in such positions, but only in cases in which the Director determines such exclusion would not affect adversely the integrity of the Government or the public's confidence in the integrity of the Government.

"(6) The Postmaster General, the Deputy Postmaster General, each Governor of the Board of Governors of the United States Postal Service and each officer or employee of the United States Postal Service or Postal Regulatory Commission who occupies a position for which the rate of basic pay is equal to or greater than 120 percent of the minimum rate of basic pay payable for GS–15 of the General Schedule.

"(7) The Director of the Office of Government Ethics and each designated agency ethics official.

"(8) Any civilian employee not described in paragraph (3), employed in the Executive Office of the President (other than a special government employee) who holds a commission of appointment from the President.

"(9) A Member of Congress, as defined under section 109(12).

"(10) An officer or employee of the Congress, as defined under section 109(13).".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transactions occurring on or after the date that is 90 days after the date of enactment of this Act.

SEC. 7. REPORT ON POLITICAL INTELLIGENCE ACTIVITIES.

(a) REPORT.—

(1) IN GENERAL.—Not later than 12 months after the date of enactment of this Act, the Comptroller General of the United States, in consultation with the Congressional Research Service, shall submit to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Oversight and Government Reform and the Committee on the Judiciary of the House of Representatives a report on the role of political intelligence in the financial markets.

(2) CONTENTS.—The report required by this section shall include a discussion of—

(A) what is known about the prevalence of the sale of political intelligence and the extent to which investors rely on such information;

(B) what is known about the effect that the sale of political intelligence may have on the financial markets;

(C) the extent to which information which is being sold would be considered nonpublic information;

(D) the legal and ethical issues that may be raised by the sale of political intelligence;

(E) any benefits from imposing disclosure requirements on those who engage in political intelligence activities; and

(F) any legal and practical issues that may be raised by the imposition of disclosure requirements on those who engage in political intelligence activities.

(b) DEFINITION.—For purposes of this section, the term "political intelligence" shall mean information that is—

(1) derived by a person from direct communications with an executive branch employee, a Member of Congress, or an employee of Congress; and

(2) provided in exchange for financial compensation to a client who intends, and who is known to intend, to use the information to inform investment decisions.

SEC. 8. PUBLIC FILING AND DISCLOSURE OF FINANCIAL DISCLOSURE FORMS OF MEMBERS OF CONGRESS AND CONGRESSIONAL STAFF.

(a) PUBLIC, ONLINE DISCLOSURE OF FINANCIAL DISCLOSURE FORMS OF MEMBERS OF CONGRESS AND CONGRESSIONAL STAFF.—

(1) IN GENERAL.—Not later than August 31, 2012, or 90 days after the date of enactment of this Act, whichever is later, the Secretary of the Senate and the Sergeant at Arms of the Senate, and the Clerk of the House of Representatives, shall ensure that financial disclosure forms filed by Members of Congress, candidates for Congress, and employees of Congress in calendar year 2012 and in subsequent years pursuant to title I of the Ethics in Government Act of 1978 are made available to the public on the respective official websites of the Senate and the House of Representatives not later than 30 days after such forms are filed.

(2) EXTENSIONS.—Notices of extension for financial disclosure shall be made available electronically under this subsection along with its related disclosure.

(3) REPORTING TRANSACTIONS.—In the case of a transaction disclosure required by section 103(l) of the Ethics in Government Act of 1978, as added by this Act, such disclosure shall be filed not later than the date required by that section. Notices of extension for transaction disclosure shall be made available electronically under this subsection along with its related disclosure.

(4) EXPIRATION.—The requirements of this subsection shall expire upon implementation of the public disclosure system established under subsection (b).

(b) ELECTRONIC FILING AND ONLINE PUBLIC AVAILABILITY OF FINANCIAL DISCLOSURE FORMS OF MEMBERS OF CONGRESS, OFFICERS OF THE HOUSE AND SENATE, AND CONGRESSIONAL STAFF.—

(1) IN GENERAL.—Subject to paragraph (6) and not later than 18 months after the date of enactment of this Act, the Secretary of the Senate and the Sergeant at Arms of the Senate and the Clerk of the House of Representatives shall develop systems to enable—

(A) electronic filing of reports received by them pursuant to section 103(h)(1)(A) of title I of the Ethics in Government Act of 1978; and

(B) public access to financial disclosure reports filed by Members of Congress, candidates for Congress, and employees of Congress, as well as reports of a transaction disclosure required by section 103(l) of the Ethics in Government Act of 1978, as added by this Act, notices of extensions, amendments, and blind trusts, pursuant to title I of the Ethics in Government Act of 1978, through databases that—

(i) are maintained on the official websites of the House of Representatives and the Senate; and

(ii) allow the public to search, sort, and download data contained in the reports.

(2) LOGIN.—No login shall be required to search or sort the data contained in the reports made available by this subsection. A login protocol with the name of the user shall be utilized by a person downloading data contained in the reports. For purposes of filings under this section, section 105(b)(2) of the Ethics in Government Act of 1978 does not apply.

(3) PUBLIC AVAILABILITY.—Pursuant to section 105(b)(1) of the Ethics in Government Act of 1978, electronic availability on the official websites of the Senate and the House of Representatives under this subsection shall be deemed to have met the public availability requirement.

(4) FILERS COVERED.—Individuals required under the Ethics in Government Act of 1978 or the Senate Rules to file financial disclosure reports with the Secretary of the Senate or the Clerk of the House of Representatives shall file reports electronically using the systems developed by the Secretary of the Senate, the Sergeant at Arms of the Senate, and the Clerk of the House of Representatives.

(5) EXTENSIONS.—Notices of extension for financial disclosure shall be made available electronically under this subsection along with its related disclosure.

(6) ADDITIONAL TIME.—The requirements of this subsection may be implemented after the date provided in paragraph (1) if the Secretary of the Senate or the Clerk of the House of Representatives identifies in writing to relevant congressional committees the additional time needed for such implementation.

(c) RECORDKEEPING.—Section 105(d) of the Ethics in Government Act of 1978 (5 U.S.C. App. 105(d)) is amended to read as follows:

"(d)(1) Any report filed with or transmitted to an agency or supervising ethics office or to the Clerk of the House of Representatives or the Secretary of the Senate pursuant to this title shall be retained by such agency or office or by the Clerk of the House of Representatives or the Secretary of the Senate, as the case may be.

"(2) Such report shall be made available to the public—

"(A) in the case of a Member of Congress until a date that is 6 years from the date the individual ceases to be a Member of Congress; and

"(B) in the case of all other reports filed pursuant to this title, for a period of 6 years after receipt of the report.

"(3) After the relevant time period identified under paragraph (2), the report shall be destroyed unless needed in an ongoing investigation, except that in the case of an individual who filed the report pursuant to section 101(b) and was not subsequently confirmed by the Senate, or who filed the report pursuant to section 101(c) and was not subsequently elected, such reports shall be destroyed 1 year after the individual either is no longer under consideration by the Senate or is no longer a candidate for nomination or election to the Office of President, Vice President, or as a Member of Congress, unless needed in an ongoing investigation or inquiry.".

SEC. 9. OTHER FEDERAL OFFICIALS.

(a) PROHIBITION OF THE USE OF NONPUBLIC INFORMATION FOR PRIVATE PROFIT.—

(1) EXECUTIVE BRANCH EMPLOYEES.—The Office of Government Ethics shall issue such interpretive guidance of the relevant Federal ethics statutes and regulations, including the Standards of Ethical Conduct for executive branch employees, related to use of nonpublic information, as necessary to clarify that no executive branch employee may use nonpublic information derived from such person's position as an executive branch employee or gained from the performance of such person's official responsibilities as a means for making a private profit.

(2) JUDICIAL OFFICERS.—The Judicial Conference of the United States shall issue such interpretive guidance of the relevant ethics rules applicable to Federal judges, including the Code of Conduct for United States Judges, as necessary to clarify that no judicial officer may use nonpublic information derived from such person's position as a judicial officer or gained from the performance of such person's official responsibilities as a means for making a private profit.

(3) JUDICIAL EMPLOYEES.—The Judicial Conference of the United States shall issue such interpretive guidance of the relevant ethics rules applicable to judicial employees as necessary to clarify that no judicial employee may use nonpublic information derived from such person's position as a judicial employee or gained from the performance of such person's official responsibilities as a means for making a private profit.

(b) APPLICATION OF INSIDER TRADING LAWS.—

(1) AFFIRMATION OF NON-EXEMPTION.—Executive branch employees, judicial officers, and judicial employees are not exempt from the insider trading prohibitions arising under the securities laws, including section 10(b) of the Securities Exchange Act of 1934 and Rule 10b–5 thereunder.

(2) DUTY.—

(A) PURPOSE.—The purpose of the amendment made by this paragraph is to affirm a duty arising from a relationship of trust and confidence owed by each executive branch employee, judicial officer, and judicial employee.

(B) AMENDMENT.—Section 21A of the Securities Exchange Act of 1934 (15 U.S.C. 78u–1), as amended by this Act, is amended by adding at the end the following:

"(h) DUTY OF OTHER FEDERAL OFFICIALS.—

"(1) IN GENERAL.—Subject to the rule of construction under section 10 of the STOCK Act and solely for purposes of the insider trading prohibitions arising under this Act, including

section 10(b), and Rule 10b–5 thereunder, each executive branch employee, each judicial officer, and each judicial employee owes a duty arising from a relationship of trust and confidence to the United States Government and the citizens of the United States with respect to material, nonpublic information derived from such person's position as an executive branch employee, judicial officer, or judicial employee or gained from the performance of such person's official responsibilities.

"(2) DEFINITIONS.—In this subsection—

"(A) the term 'executive branch employee'—

"(i) has the meaning given the term 'employee' under section 2105 of title 5, United States Code;

"(ii) includes—

"(I) the President;

"(II) the Vice President; and

"(III) an employee of the United States Postal Service or the Postal Regulatory Commission;

"(B) the term 'judicial employee' has the meaning given that term in section 109(8) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(8)); and

"(C) the term 'judicial officer' has the meaning given that term under section 109(10) of the Ethics in Government Act of 1978 (5 U.S.C. App. 109(10)).

"(3) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to impair or limit the construction of the existing antifraud provisions of the securities laws or the authority of the Commission under those provisions.".

SEC. 10. RULE OF CONSTRUCTION.

Nothing in this Act, the amendments made by this Act, or the interpretive guidance to be issued pursuant to sections 3 and 9 of this Act, shall be construed to—

(1) impair or limit the construction of the antifraud provisions of the securities laws or the Commodity Exchange Act or the authority of the Securities and Exchange Commission or the Commodity Futures Trading Commission under those provisions;

(2) be in derogation of the obligations, duties, and functions of a Member of Congress, an employee of Congress, an executive branch employee, a judicial officer, or a judicial employee, arising from such person's official position; or

(3) be in derogation of existing laws, regulations, or ethical obligations governing Members of Congress, employees of Congress, executive branch employees, judicial officers, or judicial employees.

SEC. 11. EXECUTIVE BRANCH REPORTING.

(a) EXECUTIVE BRANCH REPORTING.—

(1) IN GENERAL.—Not later than August 31, 2012, or 90 days after the date of enactment of this Act, whichever is later, the President shall ensure that financial disclosure forms filed pursuant to title I of the Ethics in Government Act of 1978 (5 U.S.C. App. 101 et seq.), in calendar year 2012 and in subsequent years, by executive branch employees specified in section 101 of that Act are made available to the public on the official websites of the respective executive branch agencies not later than 30 days after such forms are filed.

(2) EXTENSIONS.—Notices of extension for financial disclosure shall be made available electronically along with the related disclosure.

(3) REPORTING TRANSACTIONS.—In the case of a transaction disclosure required by section 103(l) of the Ethics in Government Act of 1978, as added by this Act, such disclosure shall be filed not later than the date required by that section. Notices of extension for transaction disclosure shall be made available electronically under this subsection along with its related disclosure.

(4) EXPIRATION.—The requirements of this subsection shall expire upon implementation of the public disclosure system established under subsection (b).

(b) ELECTRONIC FILING AND ONLINE PUBLIC AVAILABILITY OF FINANCIAL DISCLOSURE FORMS OF CERTAIN EXECUTIVE BRANCH EMPLOYEES.—

(1) IN GENERAL.—Subject to paragraph (6), and not later than 18 months after the date of enactment of this Act, the President, acting through the Director of the Office of Government Ethics, shall develop systems to enable—

(A) electronic filing of reports required by section 103 of the Ethics in Government Act of 1978 (5 U.S.C. App. 103), other than subsection (h) of such section; and

(B) public access to financial disclosure reports filed by executive branch employees required to file under section 101 of that Act (5 U.S.C. App. 101), as well as reports of a transaction disclosure required by section 103(l) of that Act, as added by this Act, notices of extensions, amendments, and blind trusts, pursuant to title I of that Act, through databases that—

(i) are maintained on the official website of the Office of Government Ethics; and

(ii) allow the public to search, sort, and download data contained in the reports.

(2) LOGIN.—No login shall be required to search or sort the data contained in the reports made available by this subsection. A login protocol with the name of the user shall be utilized by a person downloading data contained in the reports. For purposes of filings under this section, section 105(b)(2) of the Ethics in Government Act of 1978 (5 U.S.C. App. 105(b)(2)) does not apply.

(3) PUBLIC AVAILABILITY.—Pursuant to section 105(b)(1) of the Ethics in Government Act of 1978 (5 U.S.C. App. 105(b)(1)), electronic availability on the official website of the Office of Government Ethics under this subsection shall be deemed to have met the public availability requirement.

(4) FILERS COVERED.—Executive branch employees required under title I of the Ethics in Government Act of 1978 to file financial disclosure reports shall file the reports electronically with their supervising ethics office.

(5) EXTENSIONS.—Notices of extension for financial disclosure shall be made available electronically under this subsection along with its related disclosure.

(6) ADDITIONAL TIME.—The requirements of this subsection may be implemented after the date provided in paragraph (1) if the Director of the Office of Government Ethics, after consultation with the Clerk of the House of Representatives

and Secretary of the Senate, identifies in writing to relevant congressional committees the additional time needed for such implementation.

SEC. 12. PARTICIPATION IN INITIAL PUBLIC OFFERINGS.

Section 21A of the Securities Exchange Act of 1934 (15 U.S.C. 78u–1), as amended by this Act, is further amended by adding at the end the following:

"(i) PARTICIPATION IN INITIAL PUBLIC OFFERINGS.—An individual described in section 101(f) of the Ethics in Government Act of 1978 may not purchase securities that are the subject of an initial public offering (within the meaning given such term in section 12(f)(1)(G)(i)) in any manner other than is available to members of the public generally.".

SEC. 13. REQUIRING MORTGAGE DISCLOSURE.

(a) REQUIRING DISCLOSURE.—Section 102(a)(4)(A) of the Ethics in Government Act of 1978 (5 U.S.C. App. 102(a)(4)(A)) is amended by striking "spouse; and" and inserting the following: "spouse, except that this exception shall not apply to a reporting individual—

"(i) described in paragraph (1), (2), or (9) of section 101(f);

"(ii) described in section 101(b) who has been nominated for appointment as an officer or employee in the executive branch described in subsection (f) of such section, other than—

"(I) an individual appointed to a position—

"(aa) as a Foreign Service Officer below the rank of ambassador; or

"(bb) in the uniformed services for which the pay grade prescribed by section 201 of title 37, United States Code is O–6 or below; or

"(II) a special government employee, as defined under section 202 of title 18, United States Code; or

"(iii) described in section 101(f) who is in a position in the executive branch the appointment to which is made by the President and requires advice and consent of the Senate, other than—

"(I) an individual appointed to a position—

"(aa) as a Foreign Service Officer below the rank of ambassador; or

"(bb) in the uniformed services for which the pay grade prescribed by section 201 of title 37, United States Code is O–6 or below; or

"(II) a special government employee, as defined under section 202 of title 18, United States Code; and".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to reports which are required to be filed under section 101 of the Ethics of Government Act of 1978 on or after the date of the enactment of this Act.

SEC. 14. TRANSACTION REPORTING REQUIREMENTS.

The transaction reporting requirements established by section 103(l) of the Ethics in Government Act of 1978, as added by section

6 of this Act, shall not be construed to apply to a widely held investment fund (whether such fund is a mutual fund, regulated investment company, pension or deferred compensation plan, or other investment fund), if—

(1)(A) the fund is publicly traded; or

(B) the assets of the fund are widely diversified; and

(2) the reporting individual neither exercises control over nor has the ability to exercise control over the financial interests held by the fund.

SEC. 15. APPLICATION TO OTHER ELECTED OFFICIALS AND CRIMINAL OFFENSES.

(a) APPLICATION TO OTHER ELECTED OFFICIALS.—

(1) CIVIL SERVICE RETIREMENT SYSTEM.—Section 8332(o)(2)(A) of title 5, United States Code, is amended—

(A) in clause (i), by inserting ", the President, the Vice President, or an elected official of a State or local government" after "Member"; and

(B) in clause (ii), by inserting ", the President, the Vice President, or an elected official of a State or local government" after "Member".

(2) FEDERAL EMPLOYEES RETIREMENT SYSTEM.—Section 8411(l)(2) of title 5, United States Code, is amended—

(A) in subparagraph (A), by inserting ", the President, the Vice President, or an elected official of a State or local government" after "Member"; and

(B) in subparagraph (B), by inserting ", the President, the Vice President, or an elected official of a State or local government" after "Member".

(b) CRIMINAL OFFENSES.—Section 8332(o)(2) of title 5, United States Code, is amended—

(1) in subparagraph (A), by striking clause (iii) and inserting the following:

"(iii) The offense—

"(I) is committed after the date of enactment of this subsection and—

"(aa) is described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

"(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(i), (iv), (xvi), (xix), (xxiii), (xxiv), or (xxvi); or

"(II) is committed after the date of enactment of the STOCK Act and—

"(aa) is described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii); or

"(bb) is described under subparagraph (B)(xxix), (xxx), or (xxxi), but only with respect to an offense described under subparagraph (B)(ii), (iii), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvii), (xviii), (xx), (xxi), (xxii), (xxv), (xxvii), or (xxviii)."; and

(2) by striking subparagraph (B) and inserting the following:

"(B) An offense described in this subparagraph is only the following, and only to the extent that the offense is a felony:

"(i) An offense under section 201 of title 18 (relating to bribery of public officials and witnesses).

"(ii) An offense under section 203 of title 18 (relating to compensation to Member of Congress, officers, and others in matters affecting the Government).

"(iii) An offense under section 204 of title 18 (relating to practice in the United States Court of Federal Claims or the United States Court of Appeals for the Federal Circuit by Member of Congress).

"(iv) An offense under section 219 of title 18 (relating to officers and employees acting as agents of foreign principals).

"(v) An offense under section 286 of title 18 (relating to conspiracy to defraud the Government with respect to claims).

"(vi) An offense under section 287 of title 18 (relating to false, fictitious or fraudulent claims).

"(vii) An offense under section 597 of title 18 (relating to expenditures to influence voting).

"(viii) An offense under section 599 of title 18 (relating to promise of appointment by candidate).

"(ix) An offense under section 602 of title 18 (relating to solicitation of political contributions).

"(x) An offense under section 606 of title 18 (relating to intimidation to secure political contributions).

"(xi) An offense under section 607 of title 18 (relating to place of solicitation).

"(xii) An offense under section 641 of title 18 (relating to public money, property or records).

"(xiii) An offense under section 666 of title 18 (relating to theft or bribery concerning programs receiving Federal funds).

"(xiv) An offense under section 1001 of title 18 (relating to statements or entries generally).

"(xv) An offense under section 1341 of title 18 (relating to frauds and swindles, including as part of a scheme to deprive citizens of honest services thereby).

"(xvi) An offense under section 1343 of title 18 (relating to fraud by wire, radio, or television, including as part of a scheme to deprive citizens of honest services thereby).

"(xvii) An offense under section 1503 of title 18 (relating to influencing or injuring officer or juror).

"(xviii) An offense under section 1505 of title 18 (relating to obstruction of proceedings before departments, agencies, and committees).

"(xix) An offense under section 1512 of title 18 (relating to tampering with a witness, victim, or an informant).

"(xx) An offense under section 1951 of title 18 (relating to interference with commerce by threats of violence).

"(xxi) An offense under section 1952 of title 18 (relating to interstate and foreign travel or transportation in aid of racketeering enterprises).

"(xxii) An offense under section 1956 of title 18 (relating to laundering of monetary instruments).

"(xxiii) An offense under section 1957 of title 18 (relating to engaging in monetary transactions in property derived from specified unlawful activity).

"(xxiv) An offense under chapter 96 of title 18 (relating to racketeer influenced and corrupt organizations).

"(xxv) An offense under section 7201 of the Internal Revenue Code of 1986 (relating to attempt to evade or defeat tax).

"(xxvi) An offense under section 104(a) of the Foreign Corrupt Practices Act of 1977 (relating to prohibited foreign trade practices by domestic concerns).

"(xxvii) An offense under section 10(b) of the Securities Exchange Act of 1934 (relating to fraud, manipulation, or insider trading of securities).

"(xxviii) An offense under section 4c(a) of the Commodity Exchange Act (7 U.S.C. 6c(a)) (relating to fraud, manipulation, or insider trading of commodities).

"(xxix) An offense under section 371 of title 18 (relating to conspiracy to commit offense or to defraud United States), to the extent of any conspiracy to commit an act which constitutes—

"(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

"(II) an offense under section 207 of title 18 (relating to restrictions on former officers, employees, and elected officials of the executive and legislative branches).

"(xxx) Perjury committed under section 1621 of title 18 in falsely denying the commission of an act which constitutes—

"(I) an offense under clause (i), (ii), (iii), (iv), (v), (vi), (vii), (viii), (ix), (x), (xi), (xii), (xiii), (xiv), (xv), (xvi), (xvii), (xviii), (xix), (xx), (xxi), (xxii), (xxiii), (xxiv), (xxv), (xxvi), (xxvii), or (xxviii); or

"(II) an offense under clause (xxix), to the extent provided in such clause.

"(xxxi) Subornation of perjury committed under section 1622 of title 18 in connection with the false denial or false testimony of another individual as specified in clause (xxx).".

SEC. 16. LIMITATION ON BONUSES TO EXECUTIVES OF FANNIE MAE AND FREDDIE MAC.

Notwithstanding any other provision in law, senior executives at the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation are prohibited from receiving bonuses during any period of conservatorship for those entities on or after the date of enactment of this Act.

SEC. 17. POST-EMPLOYMENT NEGOTIATION RESTRICTIONS.

(a) RESTRICTION EXTENDED TO EXECUTIVE AND JUDICIAL BRANCHES.—Notwithstanding any other provision of law, an individual required to file a financial disclosure report under section 101 of the Ethics in Government Act of 1978 (5 U.S.C. App. 101) may not directly negotiate or have any agreement of future employment or compensation unless such individual, within 3 business days after the commencement of such negotiation or agreement of future employment or compensation, files with the individual's supervising ethics office a statement, signed by such individual, regarding such negotiations or agreement, including the name of the private entity or entities involved in such negotiations or agreement, and the date such negotiations or agreement commenced.

(b) RECUSAL.—An individual filing a statement under subsection (a) shall recuse himself or herself whenever there is a

conflict of interest, or appearance of a conflict of interest, for such individual with respect to the subject matter of the statement, and shall notify the individual's supervising ethics office of such recusal. An individual making such recusal shall, upon such recusal, submit to the supervising ethics office the statement under subsection (a) with respect to which the recusal was made.

SEC. 18. WRONGFULLY INFLUENCING PRIVATE ENTITIES EMPLOYMENT DECISIONS BY LEGISLATIVE AND EXECUTIVE BRANCH OFFICERS AND EMPLOYEES.

(a) IN GENERAL.—Section 227 of title 18, United States Code, is amended—

(1) in the heading of such section, by inserting after "**Congress**" the following: "**or an officer or employee of the legislative or executive branch**";

(2) by striking "Whoever" and inserting "(a) Whoever";

(3) by striking "a Senator or Representative in, or a Delegate or Resident Commissioner to, the Congress or an employee of either House of Congress" and inserting "a covered government person"; and

(4) by adding at the end the following:

"(b) In this section, the term 'covered government person' means—

"(1) a Senator or Representative in, or a Delegate or Resident Commissioner to, the Congress;

"(2) an employee of either House of Congress; or

"(3) the President, Vice President, an employee of the United States Postal Service or the Postal Regulatory Commission, or any other executive branch employee (as such term is defined under section 2105 of title 5, United States Code).".

(b) CLERICAL AMENDMENT.—The table of contents for chapter 11 of title 18, United States Code, is amended by amending the item relating to section 227 to read as follows:

"227. Wrongfully influencing a private entity's employment decisions by a Member of Congress or an officer or employee of the legislative or executive branch.".

SEC. 19. MISCELLANEOUS CONFORMING AMENDMENTS.

(a) REPEAL OF TRANSMISSION OF COPIES OF MEMBER AND CANDIDATE REPORTS TO STATE ELECTION OFFICIALS UPON ADOPTION OF NEW SYSTEMS.—Section 103(i) of the Ethics in Government Act of 1978 (5 U.S.C. App. 103(i)) is amended—

(1) by striking "(i)" and inserting "(i)(1)"; and

(2) by adding at the end the following new paragraph:

"(2) The requirements of paragraph (1) do not apply to any report filed under this title which is filed electronically and for which there is online public access, in accordance with the systems developed by the Secretary and Sergeant at Arms of the Senate and the Clerk of the House of Representatives under section 8(b) of the Stop Trading on Congressional Knowledge Act of 2012.".

(b) PERIOD OF RETENTION OF FINANCIAL DISCLOSURE STATEMENTS OF MEMBERS OF THE HOUSE.—

(1) IN GENERAL.—Section 304(c) of the Honest Leadership and Open Government Act of 2007 (2 U.S.C. 104e(c)) is amended by striking the period at the end and inserting the following: ", or, in the case of reports filed under section 103(h)(1) of the Ethics in Government Act of 1978, until the expiration

of the 6-year period which begins on the date the individual is no longer a Member of Congress.".

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to any report which is filed on or after the date on which the systems developed by the Secretary and Sergeant at Arms of the Senate and the Clerk of the House of Representatives under section 8(b) first take effect.

Speaker of the House of Representatives.

Vice President of the United States and President of the Senate.