

119TH CONGRESS
1ST SESSION

S. 1498

To amend chapter 131 of title 5, United States Code, to prohibit transactions involving certain financial instruments by Members of Congress.

IN THE SENATE OF THE UNITED STATES

APRIL 28, 2025

Mr. HAWLEY (for himself and Mr. MORENO) introduced the following bill; which was read twice and referred to the Committee on Homeland Security and Governmental Affairs

A BILL

To amend chapter 131 of title 5, United States Code, to prohibit transactions involving certain financial instruments by Members of Congress.

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 “Preventing Elected
5 Leaders from Owning Securities and Investments
6 (PELOSI) Act”.

1 **SEC. 2. BANNING INSIDER TRADING IN CONGRESS.**

2 (a) IN GENERAL.—Chapter 131 of title 5, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 **“Subchapter IV—Banning Insider Trading in**
6 **Congress**

7 **“§ 13161. Definitions**

8 “In this subchapter:

9 “(1) COVERED FINANCIAL INSTRUMENT.—

10 “(A) IN GENERAL.—The term ‘covered fi-
11 nancial instrument’ means—

12 “(i) any investment in—

13 “(I) a security (as defined in sec-
14 tion 3(a) of Securities Exchange Act
15 of 1934 (15 U.S.C. 78c(a)));

16 “(II) a security future (as de-
17 fined in that section); or

18 “(III) a commodity (as defined in
19 section 1a of the Commodity Ex-
20 change Act (7 U.S.C. 1a)); and

21 “(ii) any economic interest com-
22 parable to an interest described in clause
23 (i) that is acquired through synthetic
24 means, such as the use of a derivative, in-
25 cluding an option, a warrant, or other
26 similar means.

1 “(B) EXCLUSIONS.—The term ‘covered fi-
2 nancial instrument’ does not include—

3 “(i) a diversified mutual fund;

4 “(ii) a diversified exchange-traded
5 fund;

6 “(iii) a United States Treasury bill,
7 note, or bond; or

8 “(iv) compensation from the primary
9 occupation of a spouse or dependent child
10 of a Member of Congress.

11 “(2) DEPENDENT CHILD; MEMBER OF CON-
12 GRESS.—The terms ‘dependent child’ and ‘Member
13 of Congress’ have the meanings given those terms in
14 section 13101.

15 “(3) SUPERVISING ETHICS COMMITTEE.—The
16 term ‘supervising ethics committee’ means, as appli-
17 cable—

18 “(A) the Select Committee on Ethics of
19 the Senate; and

20 “(B) the Committee on Ethics of the
21 House of Representatives.

1 **“§ 13162. Prohibition on certain transactions and**
 2 **holdings involving covered financial in-**
 3 **struments**

4 “(a) PROHIBITION.—Except as provided in sub-
 5 section (b), a Member of Congress, or any spouse of a
 6 Member of Congress, may not, during the term of service
 7 of the Member of Congress, hold, purchase, or sell any
 8 covered financial instrument.

9 “(b) EXCEPTIONS.—The prohibition under sub-
 10 section (a) shall not apply to a sale by a Member of Con-
 11 gress, or a spouse of a Member of Congress, that is com-
 12 pleted by the date that is—

13 “(1) for a Member of Congress serving on the
 14 date of enactment of the Preventing Elected Leaders
 15 from Owning Securities and Investments (PELOSI)
 16 Act, 180 days after that date of enactment; and

17 “(2) for any Member of Congress who com-
 18 mences service as a Member of Congress after the
 19 date of enactment of the Preventing Elected Leaders
 20 from Owning Securities and Investments (PELOSI)
 21 Act, 180 days after the first date of the initial term
 22 of service.

23 “(c) PENALTIES.—

24 “(1) DISGORGEMENT.—A Member of Congress
 25 shall disgorge to the Treasury of the United States
 26 any profit from a transaction or holding involving a

1 covered financial instrument that is conducted in
2 violation of this section.

3 “(2) FINES.—A Member of Congress who holds
4 or conducts a transaction involving, or whose spouse
5 holds or conducts a transaction involving, a covered
6 financial instrument in violation of this section may
7 be subject to a civil fine assessed by the applicable
8 supervising ethics committee under section 13164.

9 **“§ 13163. Certification of compliance**

10 “(a) IN GENERAL.—Not less frequently than annu-
11 ally, each Member of Congress shall submit to the applica-
12 ble supervising ethics committee a written certification
13 that the Member of Congress has achieved compliance
14 with the requirements of this subchapter.

15 “(b) PUBLICATION.—The supervising ethics commit-
16 tees shall publish each certification submitted under sub-
17 section (a) on a publicly available website.

18 **“§ 13164. Authority of supervising ethics committees**

19 “(a) IN GENERAL.—The supervising ethics commit-
20 tees may implement and enforce the requirements of this
21 subchapter, including by—

22 “(1) issuing—

23 “(A) for Members of Congress—

24 “(i) rules governing that implementa-
25 tion; and

1 “(ii) 1 or more reasonable extensions
 2 to achieve compliance with this subchapter,
 3 if the applicable supervising ethics com-
 4 mittee determines that a Member of Con-
 5 gress is making a good faith effort to di-
 6 vest any covered financial instruments; and

7 “(B) guidance relating to covered financial
 8 instruments;

9 “(2) publishing on the internet certifications
 10 submitted by Members of Congress under section
 11 13163(a); and

12 “(3) assessing civil fines against any Member of
 13 Congress who is in violation of this subchapter, sub-
 14 ject to subsection (b).

15 “(b) REQUIREMENTS FOR CIVIL FINES.—

16 “(1) IN GENERAL.—Before imposing a fine pur-
 17 suant to this section, the applicable supervising eth-
 18 ics committee shall provide to the applicable Member
 19 of Congress—

20 “(A) a written notice describing each cov-
 21 ered financial instrument transaction for which
 22 a fine will be assessed; and

23 “(B) an opportunity, with respect to each
 24 such covered financial instrument transaction—

25 “(i) for a hearing; and

1 “(ii) to achieve compliance with the
2 requirements of this subchapter.

3 “(2) ENFORCEMENT.—

4 “(A) IN GENERAL.—In the event of con-
5 tinuing noncompliance after issuance of the no-
6 tice described in paragraph (1), the applicable
7 supervising ethics committee shall impose a civil
8 penalty, in the amount described in subpara-
9 graph (B), on the Member of Congress to whom
10 a notice was provided—

11 “(i) on the date that is 30 days after
12 the date of provision of the notice; and

13 “(ii) during the period in which such
14 noncompliance continues, not less fre-
15 quently than once every 30 days thereafter.

16 “(B) AMOUNT.—The amount of each civil
17 penalty imposed on a Member of Congress pur-
18 suant to subparagraph (A) shall be an amount
19 equal to 10 percent of the value of each covered
20 financial instrument that was not divested in
21 violation of this subchapter during the period
22 covered by the penalty.

23 “(3) PUBLICATION.—Each supervising ethics
24 committee shall publish on a publicly available
25 website a description of—

1 “(A) each fine assessed by the supervising
2 ethics committee pursuant to this section;

3 “(B) the reasons why each such fine was
4 assessed; and

5 “(C) the result of each assessment, includ-
6 ing any hearing under paragraph (1)(B)(i) re-
7 lating to the assessment.

8 “(4) APPEAL.—A Member of Congress may ap-
9 peal the assessment of a fine under this section to
10 a vote on the floor of the Senate or the House of
11 Representatives, as applicable, as a privileged mo-
12 tion.

13 **“§ 13165. Audit by Government Accountability Office**

14 “Not later than 2 years after the date of enactment
15 of the Preventing Elected Leaders from Owning Securities
16 and Investments (PELOSI) Act, the Comptroller General
17 of the United States shall—

18 “(1) conduct an audit of the compliance by
19 Members of Congress with the requirements of this
20 subchapter; and

21 “(2) submit to the supervising ethics commit-
22 tees a report describing the results of the audit con-
23 ducted under paragraph (1).”.

24 (b) CONFORMING AMENDMENTS.—

1 (1) TABLE OF SECTIONS.—The table of sections
 2 for chapter 131 of title 5, United States Code, is
 3 amended by adding at the end the following:

“SUBCHAPTER IV—BANNING INSIDER TRADING IN CONGRESS

“13161. Definitions.

“13162. Prohibition on certain transactions and holdings involving covered financial instruments.

“13163. Certification of compliance.

“13164. Authority of supervising ethics committees.

“13165. Audit by Government Accountability Office.”.

4 (2) PERSONS REQUIRED TO FILE.—Section
 5 13103(f) of title 5, United States Code, is amended—
 6 ed—

7 (A) in paragraph (9), by striking “as de-
 8 fined in section 13101 of this title”;

9 (B) in paragraph (10), by striking “as de-
 10 fined in section 13101 of this title”;

11 (C) in paragraph (11), by striking “as de-
 12 fined in section 13101 of this title”; and

13 (D) in paragraph (12), by striking “as de-
 14 fined in section 13101 of this title”.

15 (3) LOBBYING DISCLOSURE ACT OF 1995.—Sec-
 16 tion 3(4)(D) of the Lobbying Disclosure Act of 1995
 17 (2 U.S.C. 1602(4)(D)) is amended by striking “leg-
 18 islative branch employee serving in a position de-
 19 scribed under section 13101(13) of title 5, United
 20 States Code” and inserting “officer or employee of

- 1 Congress (as defined in section 13101 of title 5,
- 2 United States Code)''.

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