

Calendar No. 536

119TH CONGRESS
2D SESSION**S. 5221**

To prohibit the purchase, sale, or exchange of nonpublic information, and
for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 3, 2026

Mr. PADILLA (for himself, Mr. BLUMENTHAL, Mr. WHITEHOUSE, Mr.
PETERS, and Mr. MERKLEY) introduced the following bill; which was
read the first time

AUGUST 4, 2026

Read the second time and placed on the calendar

A BILL

To prohibit the purchase, sale, or exchange of nonpublic
information, 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 “Stop Corrupt Trading
5 Act”.

1 **SEC. 2. MISUSE OF NONPUBLIC INFORMATION.**

2 (a) IN GENERAL.—Chapter 11 of title 18, United
3 States Code, is amended by adding at the end the fol-
4 lowing:

5 **“§ 228. Misuse of nonpublic information**

6 “(a) DEFINITIONS.—In this section:

7 “(1) COVERED ENTITY.—The term ‘covered en-
8 tity’ means a firm, partnership, association, corpora-
9 tion, or other entity—

10 “(A) which a covered person or a member
11 of the immediate family of a covered person
12 controls, directly or indirectly; or

13 “(B) in which a covered person beneficially
14 owns a financial interest in the entity com-
15 prising not less than 5 percent of the equity,
16 profits, or revenue interests of the entity.

17 “(2) COVERED PERSON.—The term ‘covered
18 person’ means the President or Vice President.

19 “(3) NONPUBLIC INFORMATION.—The term
20 ‘nonpublic information’—

21 “(A) means information that a covered
22 person gains as a result of the covered person’s
23 official position and that the covered person
24 knows or reasonably should know has not been
25 made available to the general public, including

1 information that the covered person knows or
2 reasonably should know—

3 “(i) is routinely exempt from disclo-
4 sure under section 552 of title 5 or other-
5 wise protected from disclosure by statute,
6 Executive order, or regulation;

7 “(ii) is designated as confidential; or

8 “(iii) has not been disseminated to the
9 general public and is not authorized to be
10 made available to the public on request;
11 and

12 “(B) includes statements or other commu-
13 nications by a covered person made available
14 via application programming interface or other
15 means that are not made available to the gen-
16 eral public on equal terms.

17 “(b) MISUSE OF NONPUBLIC INFORMATION.—

18 “(1) SALE BY COVERED PERSONS AND ENTI-
19 TIES.—No covered person or covered entity may
20 enter into a transaction to sell or exchange non-
21 public information for financial benefit.

22 “(2) PURCHASE OR SALE BY OTHER PER-
23 SONS.—No person may enter into a transaction to
24 acquire, purchase, sell, or exchange nonpublic infor-
25 mation for financial benefit.

1 “(c) CRIMINAL PENALTIES AND FORFEITURE.—

2 “(1) PENALTY.—The punishment for an of-
3 fense under subsection (b) shall be—

4 “(A) for an offense under subparagraph
5 (A), a fine not more than double the value of
6 the transaction, to be deposited in the Treasury
7 or imprisonment for not more than 5 years, or
8 both; and

9 “(B) for an offense under subparagraph
10 (B), a fine not more than double the value of
11 the transaction, to be deposited in the Treas-
12 ury.

13 “(2) CRIMINAL FORFEITURE.—The court, in
14 imposing a sentence on a person convicted of an of-
15 fense under subsection (b), shall order that the per-
16 son forfeit to the United States any property, real
17 or personal, constituting or derived from proceeds
18 obtained, directly or indirectly, as a result of the of-
19 fense.

20 “(d) CIVIL ENFORCEMENT; DISGORGEMENT.—

21 “(1) CIVIL ACTION.—The Attorney General
22 may bring a civil action in an appropriate district
23 court of the United States against any person or en-
24 tity that engages in conduct constituting a violation

1 of subsection (b) (without regard to whether a crimi-
2 nal prosecution has been brought), for—

3 “(A) disgorgement to the United States of
4 all profits, payments, and other things of value
5 derived from the conduct;

6 “(B) a civil penalty of not more than the
7 greater of \$250,000 or 3 times the amount of
8 the gain derived from, or the payment made in,
9 the conduct, for each violation; and

10 “(C) appropriate equitable relief, including
11 an injunction and a constructive trust for the
12 benefit of the United States over property
13 traceable to the conduct.

14 “(2) STANDARD OF PROOF.—In an action
15 under this subsection, the standard of proof shall be
16 a preponderance of the evidence.

17 “(3) STATUTE OF LIMITATIONS; TOLLING.—An
18 action under this subsection shall be commenced not
19 later than 6 years after the date on which the con-
20 duct occurred, except that such period shall be tolled
21 during any period in which the defendant, or the
22 covered person from whose position the nonpublic in-
23 formation concerned was derived, holds the office of
24 President or Vice President.

1 “(4) LIABILITY OF COUNTERPARTIES AND EN-
2 TITIES.—A covered entity, and any person that
3 knowingly provides anything of value in a trans-
4 action described in subsection (b) shall be jointly
5 and severally liable for the remedies described in
6 paragraph (1) with respect to that transaction.

7 “(5) REFERRAL.—The Director of the Office of
8 Government Ethics shall refer to the Attorney Gen-
9 eral any credible evidence of conduct described in
10 paragraph (1), and shall notify the Committee on
11 the Judiciary of the Senate and the Committee on
12 the Judiciary of the House of Representatives of
13 each referral.”.

14 (b) CLERICAL AMENDMENT.—The table of sections
15 for chapter 11 of title 18, United States Code, is amended
16 by adding at the end the following:

“228. Misuse of nonpublic information.”.

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