

The bill enhances transparency, something we've continually strived for in this 112th Congress, and I am proud to support the bill. I hope my colleagues will join me in passing this into law.

STOP TRADING ON CONGRESSIONAL KNOWLEDGE ACT OF 2012

Mr. SMITH of Texas. Madam Speaker, I move to suspend the rules and pass the bill (S. 2038) 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, as amended.

The Clerk read the title of the bill.

The text of the amendment is as follows:

Strike out all after the enacting clause and insert:

S. 2038

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, non-public 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:

"(1) 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 Stand-

ards 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 anti-fraud 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”.

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 con-

trol 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), (xxii), (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).”;

(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 (xxix).”

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 Mort-

gage 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”; and

(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.

The SPEAKER pro tempore (Mrs. CAPITO). Pursuant to the rule, the gentleman from Texas (Mr. SMITH) and the gentleman from Michigan (Mr. CONYERS) each will control 20 minutes.

The Chair recognizes the gentleman from Texas.

GENERAL LEAVE

Mr. SMITH of Texas. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on S. 2038, as amended, currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. SMITH of Texas. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, every Member of this House has sworn a solemn oath to support and defend the Constitution and to faithfully execute the office to which they have been entrusted by their constituents. The Stop Trading on Congressional Knowledge Act, or STOCK Act, goes to the heart of what it means to faithfully execute public office.

The government exists to promote the public good, not to enrich government officials and employees. Those who are entrusted with public office are called public servants because their work should always serve the public rather than themselves. No one should violate the sacred trust of government office by turning “public service” into “self-service.”

The risk of government self-dealing is heightened by the huge growth in recent years of the Federal Government and its increasing entanglement with the private economy. The risk of self-dealing increases when the government undertakes to spend nearly \$1 trillion in stimulus money on private companies like Solyndra, or when the government inserts itself into the one-fifth of our economy represented by health

care and dictates the terms of private insurance policies.

The decisions made by Big Government can have big money consequences. Big Government can move markets. That's why we need strong rules to reassure the public that decisionmakers are not enriching themselves by investing based on insider knowledge of government policies.

This is the goal of the STOCK Act, and the House version of the STOCK Act achieves this goal. It strengthens the Senate proposal by expanding the scope of the bill to require more disclosure and prevent all office holders from profiting from insider information.

The House bill expands the legislation so that the ban on insider trading applies to all legislative, executive, and judicial branch officials and their staffs. The American people deserve to know that no one in any branch of government can profit from their office. All three branches should be held to the same standard because all three branches must be worthy of the public's trust.

And the bill ensures that Members of Congress who commit a crime do not receive a taxpayer-funded pension. The STOCK Act clarifies that Members of Congress and other government insiders have to play by the same rules against insider trading that have applied to the private sector for nearly 80 years.

Under the House bill, no Federal Government official may use nonpublic information which they learn about by virtue of their office for the purpose of making a profit in the commodities or stock markets.

The bill strengthens financial disclosure rules for public officials. Financial disclosure forms will be made publicly available in searchable, downloadable databases on government Web sites.

The bill requires prompt reporting of significant securities transactions by key legislative and executive branch officials. This will bring the financial dealings of public servants into the light of day.

The STOCK Act also strengthens disclosure of officials' mortgages so that public servants do not receive special rates and offers by virtue of their office.

The bill expands the list of crimes that result in a forfeiture of government pension rights, and it prevents Fannie Mae and Freddie Mac from paying lucrative bonuses to the executives who bear so much responsibility for the housing crisis.

The House bill adds a provision to prevent government officials from receiving special early access to the initial public offerings of stock, which can result in major profits for the well-connected.

The bill requires executive branch officials to disclose their negotiations for private sector jobs, just like legislative branch officials do under current law. And the bill makes it a crime for executive branch officials to pressure pri-

vate businesses to hire employees of a certain political party, a government law that currently only applies to Congress.

The STOCK Act increases disclosure and accountability for every branch of the Federal Government and ensures that public servants don't breach the trust of the American people.

Madam Speaker, for all the above reasons, I support this legislation and encourage my colleagues to support it as well.

Madam Speaker, I reserve the balance of my time.

Mr. CONYERS. I yield myself such time as I may consume.

Madam Speaker, Members of the House, we come here this morning as the leaders of the Judiciary Committee, and I have to assume that the chairman of the Judiciary Committee, Mr. SMITH, like myself, is deeply disappointed that we're bringing a bill that we've never had a hearing on before the committee before the Congress for disposition.

□ 0920

Here was a bill referred to six committees: Financial Services, Agricultural, Judiciary, House Administration, Ethics, and the Rules Committee. Only one hearing was held in one of these committees on this measure. It's never been before Judiciary or any other committee, and so I want to begin by complimenting the author of this measure, the ranking member, former chairwoman of the Rules Committee, the gentlelady from New York, LOUISE SLAUGHTER, for a serious and important amendment that has never been treated fairly.

Now, I don't know what the explanation is. Maybe we can get to it during this proceeding. But I think that this is not the way that we want to move forward with a bill that was supposed to get to an insider trading ban that everybody wanted, because there's no reporting requirement in this bill.

So, I will reserve the balance of my time and look forward to the discussion.

Mr. SMITH of Texas. Madam Speaker, I yield 2 minutes to the gentleman from Florida (Mr. ROSS) who's an active member of the Judiciary Committee.

Mr. ROSS of Florida. Madam Speaker, I rise in support of the STOCK Act today and in support of extending its reach to the executive branch. All of us who have been honored by our fellow citizens with the enormous responsibility of protecting the liberties of this Republic have a duty to hold ourselves to the highest of standards.

You know, it's ironic that in 2012 we are here debating a bill that would prevent public officials from enriching themselves through our positions.

It's ironic because one of the great causes that impelled the separation from Great Britain was the common practice of public officials using their office to increase their personal wealth.

Madam Speaker, 236 years ago, those patriots said "enough." That spirit is in America's DNA, and we would do a disservice to all who came before us if we failed to act. I know that a vast majority of my friends on the other side of the aisle share this belief as well. A calling to service knows no party label.

Madam Speaker, I urge a "yes" vote on the bill.

Mr. CONYERS. Madam Speaker, I am pleased now to recognize the original author of this bill, and because of her deep concern about this matter, I am going to yield the gentlewoman from New York (Ms. SLAUGHTER) as much time as she may consume.

Ms. SLAUGHTER. Madam Speaker, I thank the gentleman for his generosity.

Try as they may, Majority Leader CANTOR and the House Republican leadership were unable to move forward with the STOCK Act without keeping at least some of the reforms that we included in this bill 6 years ago. However, when it comes to K Street, it appears that Republican leadership couldn't stomach the pressure from the political intelligence community.

After working behind closed doors, the majority removed the major provision that would have held political intelligence operatives to the same standards as lobbyists who come before the Congress.

I need to put into the RECORD that political intelligence is worth \$400 million a year. It is unregulated, unseen, and operates in the dark. Fortunately, Democrats and Republicans alike are fighting to keep political intelligence as part of the final bill.

Senator GRASSLEY shares my outrage that Mr. CANTOR would let the political intelligence community off the hook. Together with a supermajority, Democrats and Republicans in the Senate, Senator GRASSLEY followed my lead and included the political intelligence requirement in the Senate version of this bill.

I think his statement yesterday tells you all you need to know about his desire to see this language inserted back into the STOCK Act before it reaches the President's desk.

I would like to read that into the RECORD if I may.

"It's astonishing and extremely disappointing," Senator GRASSLEY said, "that the House would fulfill Wall Street's wishes by killing this provision. The Senate clearly voted to try to shed light on an industry that's behind the scenes. If the Senate language is too broad, as opponents say, why not propose a solution instead of scrapping the provision altogether? I hope to see a vehicle for meaningful transparency through a House-Senate conference or other means. If Congress delays action, the political intelligence industry will stay in the shadows, just the way Wall Street likes it."

And it's hard. The STOCK Act is a statement of how we in Congress view ourselves and our relationship with

those who sent us here. No matter how powerful our position may be or we believe it is, nor how hallowed the Halls that we walk, none of us is above the law.

With the passage of the STOCK Act, we can move one step closer to living up to the faith and trust bestowed upon us by the American people, the citizens whom we serve.

Mr. SMITH of Texas. Madam Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. DOLD) who is also a member of the Financial Services Committee.

Mr. DOLD. Madam Speaker, I certainly want to thank the chairman for yielding, and thank you for your leadership. I also want to thank my colleagues on the other side of the aisle, Ms. SLAUGHTER, Mr. WALZ, for your leadership with regard to the STOCK Act.

Madam Speaker, the American public believes that Congress has the ability to profit from their position, and while this is illegal today in insider trading laws, I think that we've got an obligation to make it even stronger and even clearer to the American public and to everyone that we here in the United States Congress hold ourselves up to a higher standard. I think this is expected of us as public servants.

I am pleased to say that in the STOCK Act, in this legislation moving forward, is language from my bill, H.R. 2162, the No Pensions for Felons bill. This language will strengthen and expand the existing law to require that Federal lawmakers convicted of a public corruption felony forfeit their taxpayer-funded congressional pension.

I know this sounds like common sense, but actually today there are those that are collecting taxpayer-funded pensions that have been convicted of a public corruption charge while serving in public office.

This provision adds 21 new public corruption offenses to the current law, including violations for insider trading and others. Additionally, this will prohibit the former Members of Congress from receiving a congressional pension if they are convicted of a covered offense that occurred while they are subsequently serving in any other publicly elected office.

Sadly, we have seen this before, where former Members of this Chamber, like one from my State, former Governor Rod Blagojevich, convicted of felony corruption charges and yet at age 62 he'll be eligible for a taxpayer-funded pension. Not only is this wrong, this is an insult to the American taxpayers. This provision will address such violations of the public trust in the future.

I want to thank the chairman for your leadership, and I want to urge my colleagues, not just on my side of the aisle, but across the aisle to support this important legislation.

Mr. CONYERS. Madam Speaker, I am pleased now to yield as much time as he may consume to the distinguished

gentleman from Minnesota, TIM WALZ, who joined with the ranking member of the Rules Committee in introducing the original bill.

Mr. WALZ. I thank the gentleman from Michigan.

I'd also like to thank the chairman for his support of this bill and eloquent response on it.

It's been a long 6-year journey to pass this reform. It has taken hard work and a bipartisan effort. The American people expect and deserve that.

When I first came to Congress in 2006 after spending a lifetime of teaching social studies in the public school classroom, I was approached by the gentlewoman from New York (Ms. SLAUGHTER) and Brian Baird, our former Member from Washington State. He said, You were sent here to make a difference and do things differently. If you really believe in reform, take a look at this bill.

I got involved right after that, and Representative SLAUGHTER, I can say, has been a stalwart supporter of this bill. She understood this is far more than just about clarifying insider trading. This is about restoring faith to the institution.

□ 0930

She was concerned about the ethics of this body before ethics seemed to be in vogue. It has been in vogue her whole lifetime. She has lived that sermon of ethics and of living by the rules instead of just giving it, and that I appreciate.

The integrity of this institution stands above all else. As the sacred holders of the privilege, the honor and the responsibility given to us by our neighbors to self-govern ourselves, we must make sure that this institution is never tarnished; and this bill goes a long way to doing that.

The perception is that Members of Congress are enriching themselves. That's not only an affront to our neighbors that we're not playing by the rules; it is a cancer that can destroy the democracy. Each Member of Congress has a responsibility to hold himself not just equal to his neighbors but to a higher standard. The public wants us to come here and debate how we educate our children, how we serve our veterans, how we build our roads, how we protect this Nation, how we spend those taxpayer dollars. That's what makes us strong—all these differing ideas coming together for a compromise and moving forward. If there is a perception that someone is enriching himself, it undermines our ability to do those things.

We're not here today to pat ourselves on the back. This might be the only place where doing the right thing gets you kudos when it's expected of everyone else. So we're here to say that this is a victory, not for us, but it is one tiny step on a journey, which is about restoring the faith of the American people and the institution. They can

believe with all their hearts that we are wrong. They cannot believe that we are corrupt. They will have us and we will pass and we will be dust, and this place—this building, this podium right here—will still stand.

That's what we're doing here today. So I implore folks, let's come together in a bipartisan manner.

I agree with the gentlelady: I'm disappointed the political intelligence piece isn't in here; but as I said, I believe this is a first step. We can't wait for the perfect to move something forward, so I think it's a good bipartisan compromise. I implore my colleagues to join us on this first step. Give this win to the American public, and then let's get back in here and start working on jobs. Let's get back in here and start working on the national debt. Let's get back in here and figure out how we're going to protect this Nation and educate our children into the future. This lets us do that and, I think, shows the American public we can come together. Let's get it passed, and let's have the President sign it. Then let's get on to real business.

With that, I would be remiss not to mention a person who was one of the original seven folks on this bill. WALTER JONES has been our Republican colleague, and has been a stalwart supporter of this. This is a truly bipartisan piece. Ethics crosses the aisle. Our folks in here are good people who are coming together for the good of their citizens, and for that I am grateful for today.

Mr. SMITH of Texas. Madam Speaker, I yield 2 minutes to my Texas colleague, Mr. CANSECO, who is a member of the Financial Services Committee.

Mr. CANSECO. I thank my colleague, Chairman SMITH, for yielding.

Madam Speaker, too often the American people feel that Members of Congress live by and benefit personally from a different set of rules than those by which ordinary Americans live.

To me, this lack of confidence is unacceptable. It is imperative that we rebuild the trust of the American people in their elected Representatives.

The STOCK Act will help do just that. It explicitly bans Members of Congress and congressional staff from using information obtained on the job and using it to profit from securities trading and gives the Securities and Exchange Commission the ability to investigate and prosecute them just like any other American.

The American people expect that those who serve in government do so with integrity. The STOCK Act will help ensure that those in government meet this expectation.

Mr. CONYERS. Madam Speaker, I am pleased to yield such time as he may consume to the gentleman from Virginia, BOBBY SCOTT, the ranking member of the subcommittee to which this measure would have gone had we been able to hold hearings.

Mr. SCOTT of Virginia. I thank the gentleman for yielding.

Madam Speaker, the bill we're considering today, the STOCK Act, would prohibit Members of Congress and other legislative branch employees, as well as executive and judicial branch employees, from using nonpublic information for personal benefit derived from an individual's position or gained from the performance of an individual's duties.

Today, we are amending the Senate-passed bill, S. 2038, with a substitute that makes some changes to the Senate text, such as regrettably eliminating the requirement that certain political intelligence activities be disclosed under the Lobbying Disclosure Act. These intelligence firms obtain inside information from Members of Congress and their staffs, and then they sell that information to investment firms. The public should be informed of these types of contacts.

With this bill, our goal is to hold Members of Congress, as well as other government officials, to the same standard as those in corporations who have the duty not to trade on information that is not available to the general public.

Most Members of Congress believed that this type of activity was wrong whether explicitly prohibited by criminal law or at least subject to Ethics Committee sanctions. Most of us assumed that a Food and Drug Administration official could not call a stockbroker shortly before a blockbuster drug were to be approved and profit off of that insider knowledge. We just assumed that that was wrong. So this bill codifies what most of us thought was already in the law.

This is not a complicated issue. This is the same standard that applies to those in the corporate context. It is wrong to trade on nonpublic information for our benefit and to the detriment of the public. The public has the right to expect that the public interest comes first, and people should not have to worry about what may be motivating our actions as we make decisions that impact them.

I want to acknowledge the work of my colleagues, the gentlelady from New York (Ms. SLAUGHTER) and the gentleman from Minnesota (Mr. WALZ), for their leadership in drafting and introducing the House version of the STOCK Act.

This legislation represents an appropriate acknowledgment of what most of us thought was already the law, that national government officials of all branches should not benefit financially from nonpublic information they learned by virtue of their positions, and so I urge my colleagues to vote in favor of the legislation.

Mr. SMITH of Texas. Madam Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. DUFFY), who is a member of the Financial Services Committee.

Mr. DUFFY. I appreciate the gentleman for yielding.

I think we are all aware that this issue came out when Peter Schweizer

wrote a book called "Throw Them All Out." After that, "60 Minutes" did a special story about how Members of Congress were benefitting by using insider information or information that the rest of the public wasn't privy to. In the succeeding several months, I think that story has created a deficit of trust between Members of Congress and the American constituents.

I introduced a version that would deal with this issue, I think, very simply. I thought what we should do is mandate that Members put their assets into a blind trust so there will be a bright line between information that they have as Members and their trading portfolios, and if they were to choose not to do that, they would have to aggressively disclose every trade within 3 days.

Now, my bill is not on the floor today, but the version that we have here today, I think, is much improved from the original version that came out. We have an improved reporting requirement that goes, not from 3 days, but from 90 days to 30 days, which is much improved from the original legislation. We've included the executive branch, which I think is imperative; and we have language that uses the blind trust as a potential opt-out if you're not actually managing your funds.

As we gather around and debate and vote on this bill, I think it is important to know that this is the first step, a step in the right direction. Then as we come together and reevaluate what we've done here, I think there will be many more steps to take to ensure that Members of Congress don't profit from the information they come across as Members of this institution.

Mr. CONYERS. Madam Speaker, I am pleased now to yield 2 minutes to the gentleman from Tennessee, STEVE COHEN, a member of the Judiciary Committee, one who has worked on this matter even though we couldn't hold hearings.

□ 0940

Mr. COHEN. I thank the gentleman from Michigan, Ranking Member CONYERS.

Madam Speaker, this is a very important bill, and I appreciate the efforts put in it by Ms. SLAUGHTER and Mr. WALZ, who have championed this for over many, many, many years, and I appreciate the Republicans for coming in with a bipartisan effort.

The bill has, indeed, been improved by the Senate; and it was improved through the honest services statute that was added to it, which our committee debated and passed, I believe, in good fashion. I don't know if it was unanimous or not, but that was one of the most important aspects, in my opinion, of this bill.

There are public officials throughout this country who have abused their position of trust, and using their position for personal gain has hurt all of government. The honest services statute

used to be a vehicle by which U.S. attorneys could go after them. The Supreme Court ruled that there was a defect in that law. That has been corrected in this bill, which means we have more effective ways to clean up folks who are using public service for their own benefit, and are able to restore public trust in public officials, from the courthouse to Congress. Further, it makes clear that nobody can use their inside information here to be making money in the stock market or in other places, all of which destroys the public trust which we hold.

This Congress is so, so, so, so much better than the ratings the public gives it. Some of it is because of a few bad apples, and some of it is because of a misunderstanding about what we do. This bill will go a long way toward cleaning up Congress and local officials and the appearance of impropriety, which is as important as impropriety. We need to be like Caesar's wife, beyond reproach, and this bill will do a lot towards it.

I take my hat off, again, to Ms. SLAUGHTER, the champion of this bill, and Mr. WALZ, who have done so much. And I am proud to be one of the original nine.

Mr. SMITH of Texas. Madam Speaker, I am very pleased to yield 1 minute to the gentleman from Virginia (Mr. CANTOR), the majority leader.

Mr. CANTOR. I thank the chairman, the gentleman from Texas.

Madam Speaker, our government was founded on a promise. This promise was built on a trust between the people and their elected officials. We all have a duty to honor the trust of the American people and to work faithfully on their behalf.

Madam Speaker, it is unacceptable for anyone, any elected official or their staff, to profit from information that is not available to the public. People in this country have a right to know and trust that officials at all levels of government are living under the same rules that they are. If there is even the slightest appearance of impropriety, we ought to go ahead and prevent that from taking place.

It is incumbent upon each of us to start restoring the trust between the people and their elected representatives. That's what the STOCK Act is all about.

Madam Speaker, Members from both sides of the aisle have worked hard on this issue. I would especially like to express my appreciation to Representatives TIM WALZ and LOUISE SLAUGHTER for their years of work on this effort. Congressman WALZ has been a leader on the STOCK Act since he took office at the start of the 110th Congress, and I particularly want to recognize his willingness to reach across the aisle and keep the lines of communication open as we worked to make clear that elected officials abide by the same rules as the American people.

This bill we are bringing to the floor today puts in place measures that both

strengthen and expand the Senate's work on the STOCK Act, as well as removes provisions that would have made the bill unworkable or raised far more questions than they would have answered. We expanded the bill to ensure that executive branch officials and their employees are subject to the same reporting and disclosure requirements as those in Congress. We must all live under the same rules.

We also included a provision, championed by Representative ROBERT DOLD, to ensure that Members of Congress who are convicted of a crime do not receive a taxpayer-funded pension after the fact. And finally, Madam Speaker, we added a provision to prohibit Members of Congress, executive branch officials, and their staffs from receiving special access to initial public offerings due to their positions.

Madam Speaker, we intend to act quickly to send the President a strengthened, workable bill that delivers on our promise to uphold the trust of the American people. And I urge all my colleagues to support the STOCK Act.

Mr. CONYERS. I yield myself such time as I may consume.

May I ask the distinguished majority leader one question, why he took political intelligence out of this provision?

I yield to the gentleman from Virginia.

Mr. CANTOR. Sure. I would respond to the gentleman, I think that is a provision that raises an awful lot of questions. I think there is a lot of discussion and debate about who and what would qualify and fall under the suggested language that came from the Senate. And that is why, in the STOCK Act, we are calling for a study of that issue, to ensure that the integrity of this process is maintained.

But I would remind the gentleman, the thrust of this bill is about making sure that none of us, in elected office or those in the executive branch, are able to profit from nonpublic information. The political intelligence piece is outside of this body, and we are talking about us and the perception that has gathered around our conduct.

Mr. CONYERS. Well, I thank the gentleman because there are some Members on the gentleman's side of the aisle that say, if Congress delays action on the political intelligence industry, we will stay in the shadows, just the way Wall Street likes it. So I think we ought to think about that. And I'm hoping that the leader will continue the examination of the political intelligence industry piece.

I am now pleased to yield 1 minute to the gentlewoman from California, NANCY PELOSI, the distinguished leader on our side of the aisle.

Ms. PELOSI. I thank the gentleman for yielding and thank him for giving us this opportunity to discuss an important matter—the integrity of Congress—on the floor of the House.

I, too, want to join the distinguished majority leader, Mr. CANTOR, in prais-

ing the leadership of Congresswoman LOUISE SLAUGHTER, our ranking member on the Rules Committee, and Congressman TIM WALZ for their extraordinary leadership over time, their persistence, the approach that they have taken to this to remove all doubt in the public's mind, if that is possible, that we are here to do the people's business and not to benefit personally from it.

I listened attentively to the distinguished majority leader, Mr. CANTOR's remarks about the STOCK Act and its importance. And it just raises a question to me as to, if it is so important, and it certainly is, why we could not have worked in a more bipartisan fashion either to accept the Senate bill which was developed in a bipartisan fashion and passed the Senate—what was it?—94-6. It's hard to get a result like 94-6 in Congress these days, but they were able to get the result because they worked together to develop their legislation.

We had two good options. One was to accept the Senate bill, or to take up the Slaughter-Walz legislation which has nearly 300 cosponsors. Almost 100 Republicans cosponsored the original STOCK Act. The discharge petition has been calling upon the leadership to bring that bill to the floor. What's important about that is that if we passed that bill, we could go to conference and take the best and strongest of both bills to get the job done.

Instead, secretly, the Republicans brought a much-diminished bill to the floor. It has some good features. So I urge our colleagues to vote for it to bring the process along. What's wrong with it, though, is that it makes serious omissions. And I want to associate myself with the remarks that had been made earlier; but I think they bear repetition, in any event.

Senator GRASSLEY's remarks are stunning. It is really a stunning indictment of the House Republicans in terms of their action on this bill. And I know my colleague has read this into the RECORD already, but I will, too.

Senator GRASSLEY said: "It's astonishing and extremely disappointing that the House would fulfill Wall Street's wishes by killing this provision"—that would be the provision on political intelligence. "The Senate clearly voted to try to shed light on an industry that's behind the scenes. If the Senate language is too broad, as opponents say, why not propose a solution instead of scrapping the provision altogether? I hope to see a vehicle for meaningful transparency through a House-Senate conference or other means. If Congress delays action, the political intelligence industry will stay in the shadows, just the way Wall Street likes it."

□ 0950

Well, the Senator's statement is very widely covered. The Hill today has a big, full page, "Grassley: Republicans caved. Iowa Senator says House doing Wall Street's bidding."

I think it is important to note that on the Senate side there was interest in doing this study that is now in the House bill, and it was rejected by the Senate by a 60-39 vote, to include the political intelligence provision in the bill, rejecting the study. Now that that has already been rejected in the Senate, it's resurrected on the House side, a weakening of the bill.

So whether it's the political intelligence piece proposed by Senator GRASSLEY or Senator LEAHY's piece about corruption, I think it is really important that those two elements be included in the bill. A good way to do that, to find a path to bipartisanship in the strongest possible bill, is to pass the bill today despite its serious shortcomings. And it is hard to understand why the shortcomings are there, but nonetheless they are. But pass the bill today and go to conference. To pass earlier or to accept the Senate bill, or to take the original STOCK Act, strong STOCK Act to the floor. Both of those were rejected. Pass this bill and go to conference. It is very important that the House and the Senate meet to discuss these very important issues. With all due respect to a study on political intelligence, that's really just a dodge. That is just a way to say we're not going to do the political intelligence piece.

So again, with serious reservations about the bill but thinking that the better course of action is to pass it, and I don't want anybody to interpret the strong vote for it to be a seal of approval of what it is, but just a way of pushing the process down the line so that we can move expeditiously to go to conference for the strongest possible bill.

I want to close again by saluting Congresswoman LOUISE SLAUGHTER and Congressman TIM WALZ for their relentless persistence and dedication to this issue. Had they not had this discharge petition and the nearly 300 cosponsors, bipartisan, nearly 100 of them Republicans, I doubt that we would even be taking up this bill today. So congratulations and thank you.

Mr. SMITH of Texas. Mr. Speaker, I yield 1 minute to the gentleman from California (Mr. DANIEL E. LUNGREN) who is a senior member of the Judiciary Committee and also chairman of the House Administration Committee.

Mr. DANIEL E. LUNGREN of California. I thank the gentleman.

Madam Speaker, let me just point out a couple of things in response to what has been said on the floor about the bill before us. Had we adopted, had we accepted the Senate bill, we would have had 16 drafting errors not corrected; 16 misstatements in the Senate bill that drafted the wrong provisions of the ethics laws that already existed and would have ensured that what was said on the Senate floor and is being said here would not be enforced in law, number one.

Number two, if we had taken the Senate bill, the absolute prohibition

about Members participating in IPOs would not be before us. That is an addition that we have in the House bill. That is an additional prohibition. That makes that an illegal act. It has not been in the past. The Senate bill did not even talk about that.

Third, with respect to the issue of political intelligence, I respect the Senator from Iowa very much, but I doubt he has ever prosecuted anybody and put them in prison for conflict of interest during their public service. I have.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. SMITH of Texas. I yield the gentleman an additional minute.

Mr. DANIEL E. LUNGREN of California. I understand when you do that, you have to deal with the very careful constitutional questions of people dealing with their right to apply before the government their grievances. That has become known now as lobbying. It is a constitutionally protected activity.

And the idea that we have a Congress committed to transparency means that we give out as much information as we possibly can. Those are difficult, conflicting interests that have to be carefully determined if we're going to deal with the question of political intelligence. It does us no good to pass a bill that will be rendered unconstitutional. And it does us no good to not carefully consider this. As a matter of fact, on the Senate floor, it was Senator LIEBERMAN who asked his fellow colleagues to give them time on the Senate side to study the issue so that, precisely, they would not render the bill unconstitutional. I might add that Senator LIEBERMAN also served as Attorney General of his State, and knows whereof he speaks.

Mr. CONYERS. Madam Speaker, I yield myself 30 seconds.

I would just like to compliment the distinguished gentleman from California who was an Attorney General himself and is very sharp on these matters. Could you make available to us these 16 drafting errors of the Senate? I'd be delighted to get them from you.

I yield to the gentleman from California.

Mr. DANIEL E. LUNGREN of California. If the gentleman would send someone over here, you can make a copy of it right now.

Mr. CONYERS. I thank the gentleman very much.

I'm pleased now to yield 2 minutes to the distinguished gentleman from Maryland (Mr. CUMMINGS), the ranking member of the Committee on Oversight and Government Reform.

Mr. CUMMINGS. Madam Speaker, I thank the gentleman for yielding, and I thank Congresswoman SLAUGHTER and Congressman WALZ for their tremendous work.

I stand here and urge our Members to support this bill, but certainly I have my concerns. House Republicans stripped out of a bipartisan bill that passed the Senate overwhelmingly key provisions that were supported by

Democrats and Republicans alike. Senator GRASSLEY, the Senator from Iowa who I work with quite a bit, was among the first to criticize their actions. And after they stripped out his provision to require greater transparency over so-called political intelligence, Senator GRASSLEY said, and it has been said again and again, but I think it needs to be in the DNA of every cell of our brains, that "It's astonishing"—and these are his words—"and extremely disappointing that the House would fulfill Wall Street's wishes by killing the provision."

That is an incredible indictment, and I share his disappointment that this bill does not go far enough to require the transparency that we need. Let me be clear: no Members of Congress should be able to benefit personally from information they gain by virtue of their service in the Congress. However, House Republicans have rushed to the floor weakened legislation that Members have not had a chance to read the way they should have had. Perhaps as a result of the rush, this bill also appears to have drafting problems that need to be corrected. For example, the Office of Government Ethics has indicated that the current bill could be interpreted as requiring that confidential financial disclosure forms filed by low-level employees, such as staff assistants in the executive branch, must be posted online.

Mr. Speaker, while I support the purpose of this legislation, while I will vote for this legislation, I have my deep concerns. But as Mr. CANTOR said, hopefully we'll be able to address these issues in the future and come out with a better bill.

Mr. SMITH of Texas. Madam Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Texas has 6½ minutes remaining. The gentleman from Michigan has 2½ minutes remaining.

Mr. SMITH of Texas. Madam Speaker, we are prepared to close, so I reserve the balance of my time.

Mr. CONYERS. Madam Speaker, I'm prepared to close, and I do so by yielding the balance of my time to the distinguished gentlewoman from Texas (Ms. JACKSON LEE).

The SPEAKER pro tempore. The gentlewoman from Texas is recognized for 2½ minutes.

Ms. JACKSON LEE of Texas. Madam Speaker, I thank the members of the Judiciary Committee, both the chairman and the ranking member, and, as all have applauded, Congresswoman SLAUGHTER and Congressman WALZ for their continued leadership. And I am very pleased to have been one of the, as they say, long-suffering cosponsors since, I believe, the 110th Congress.

It's important for our colleagues to understand that I think we all come here with the intent to serve this country, and to serve it well. And I believe that when we self-regulate, we only enhance this institutional body that has

such enormous history because of the changing times.

I don't believe that Members of Congress are spending their time dwelling on information that they have and using it for self-purpose, but we now stand here united saying that Members of Congress, employees of Congress, and all Federal employees are prevented from using any nonpublic information derived from the individual's position as a Member of Congress or employee of Congress, or gain from performance of the individual's duties, for personal benefit.

□ 1000

That is waving a flag to all of our constituents, to the Nation that says that we're here to stand united for you. I hope that helps us as we move forward on payroll tax relief and unemployment. But there is a challenge that I think we have missed, and I think Senator GRASSLEY has carefully analyzed why he is in essence offended, even with 16, if you will, drafting errors, which I hope that as we move to conference—that we must do—will be corrected.

Mr. CONYERS. Will the gentle lady yield to me just briefly?

Ms. JACKSON LEE of Texas. I will yield to the gentleman.

Mr. CONYERS. Because we've got the 16 from our distinguished Judiciary colleague Mr. LUNGREN. These are merely technical errors that are corrected by the enrolling resolution that surely he must have heard about. These aren't errors that would have gone into the bill.

I thank the gentle lady for yielding.

Ms. JACKSON LEE of Texas. I thank the gentleman for clarifying it.

I still think that we should rush quickly to conference because what is missing from this—and we can't say it more often than over and over again, from the Abramoff matter that all of us knew of years ago and by "political intelligence" refers to information that is potentially market-moving, is nonpublic, or not easily accessible to the public, is gathered and analyzed. Therefore, we are missing a large gap by leaving out the provision on political intelligence, a \$100 million industry.

Yes, we're going to support this legislation, but we can't get to conference soon enough to make this bill comparable and ready for the American people. We must regulate ourselves because they have trusted us to lead this Nation.

Mr. SMITH of Texas. Madam Speaker, I yield the balance of my time to the gentleman from California (Mr. DANIEL E. LUNGREN), chairman of the House Administration Committee.

The SPEAKER pro tempore. The gentleman from California is recognized for 6½ minutes.

Mr. DANIEL E. LUNGREN of California. I thank the gentleman from Texas for yielding.

Madam Speaker, at the very outset, I would like to thank Members on both

sides of the aisle for attempting to try and deal with a serious issue. I'd like to particularly point to staff who have worked over this last weekend, including four attorneys on my House Administration Committee, who spent a good portion of this last weekend going through the Senate bill and trying to come up with what we believe is a responsible bill, a tough bill that could pass this House, and frankly did not include the errors that we found in the bill on the Senate side.

Several months before the STOCK Act debuted in the Senate, questions were raised publicly about the application of existing laws relating to insider trading. Specifically, there were questions as to whether or not the current laws applied to Members of Congress or their staff. As chairman of the Committee on House Administration, I and my staff carefully reviewed current law, and we concluded that the prohibition on insider trading and the criminal penalties associated with it are very much applicable, and not just to Members of Congress and staff of the legislative branch.

Let me be clear. Let us disabuse anyone of the notion that somehow they could engage in insider trading between now and the time the bill gets on the President's desk and he signs it. It is already illegal. That is the advice I've given Members when I've been asked. That's the advice I've given to the press when they've asked. It's the advice that's been given by the Ethics Committee to Members of Congress and to staff. No one within the House of Representatives or the Senate or the executive branch or even the judicial branch, regardless of responsibility, title or salary, should be under the false impression that they are somehow exempt under these laws. They are not.

Mr. CONYERS. Will the gentleman yield?

Mr. DANIEL E. LUNGREN of California. I yield to the gentleman from Michigan.

Mr. CONYERS. Thank you, sir.

Why are we passing this law if the conduct we are prohibiting is already illegal?

Mr. DANIEL E. LUNGREN of California. I would be very happy to respond to that, and I will a little bit later on in my statement. Thank you very much.

In addition to the Congress sometimes dedicated to redundancy, there is a question of clarification. The fact that we've had questions asked of us over the last several months as House Administration chairman, as the Ethics chairman has done, gives rise to the question that some have asked, and we have tried to disabuse them of that notion all along. Although we create and uphold the laws of the land, we are not above them. As their elected representatives, we owe our constituents the assurance that the decisions we make here in the people's House are, in fact, for the people and not ourselves. This

assurance, Madam Speaker, must be government-wide. America not only needs to know that all of their government officials are subject to insider trading laws, but also need to know and need proof that they are adhering to them, which is exactly what the amended version of the S. 2038 accomplishes.

In 2010, the Supreme Court issued a decision in *Skilling v. United States* that set out several specific questions that it said must be answered in criminal statutes on honest services. The Senate bill ignored the Supreme Court's guidance and failed to answer the questions it set out. The amendment does more than eliminate the Senate's defective provisions and numerous drafting errors.

Our bill before us also strengthens the previous House and Senate proposals by first clarifying the broad application of insider trading laws, making sure no one questions it. As I say, it is already against the law, and no Member ought to rush out now and attempt to use his insider trading information for insider trading thinking that he or she is not covered. They are already covered.

It expands the financial transaction disclosure requirements. We are going to be required now, in terms of actual financial transactions, to report within a 30-day period as opposed to doing it quarterly. We're also going to be required to disclose our mortgages, which are not required right now. So we are expanding the disclosure requirements. We extend the post-employment negotiation restrictions. We expand prohibitions on influencing private hiring decisions. This is an additional point.

I would say to my friend from Michigan, the former chairman of the Judiciary Committee, we end the preferential treatment of government officials by prohibiting them from accepting exclusive access to IPOs. That has not been against the law. There's been some suggestion that might have been carried on by some Members. I have no evidence whether it has or it has not; but that is an additional prohibition placed in this, which I believe was not in the Senate bill, is not under current law, but it does make it explicit. Members of Congress cannot participate in accepting exclusive access to IPOs.

Mr. CONYERS. Will the gentleman yield?

Mr. DANIEL E. LUNGREN of California. Certainly.

Mr. CONYERS. I want to thank the gentleman for bringing us this information. I will take back to everybody on this side of the aisle not to rush out and try to do any last-minute deals because it is already illegal if you will do the same with the Members on your side.

Mr. DANIEL E. LUNGREN of California. I would be happy to if they don't know that already. But when you read the newspapers, you would think that somehow it is proper and appropriate.

I want to make it clear not only to our colleagues but to the American public, it is against the law now, it has been against the law. If anybody has evidence of this, they should report it to the proper authorities because it is against the law.

Madam Speaker, the amendment before us, when applied to the underlying bill, creates the clarity and accountability necessary to ensure that government officials—elected, appointed, and otherwise—adhere to Federal insider trading laws. It prohibits Members, officials, and employees of every branch of government from using non-public privileged information for personal gain, and it creates a disclosure mechanism for finding out when they do so. Additionally, the bill denies pensions for Members convicted of crimes. That is an addition to current law. It eliminates bonuses for senior executives at Fannie Mae and Freddie Mac. That is an addition to current law. And it directs the GAO to utilize—

Mr. COHEN. Madam Speaker, will the gentleman yield?

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. DANIEL E. LUNGREN of California. With that, I would urge that all vote for this strong, strong STOCK Act.

Mr. COHEN. Madam Speaker, may I have unanimous consent to ask one brief question that's pertinent to this bill?

The SPEAKER pro tempore. Does the gentleman seek unanimous consent to extend the debate time?

Mr. COHEN. Yes, please. For 1 minute.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee to extend the debate time?

Mr. SMITH of Texas. I am afraid I will have to object. The gentleman's time has expired.

The SPEAKER pro tempore. Objection is heard.

Mr. JOHNSON of Illinois. Madam Speaker, I rise today in support of the Stop Trading on Congressional Knowledge Act, also known as the STOCK Act. As a sponsor of the original bill in 109th Congress, I am a firm believer that Members of Congress should receive no greater privilege than that of our own constituents. Although I am grateful for the passage of this bill today, it is reprehensible that it has taken six long years for this legislation to finally come to the Floor for consideration.

As President Lincoln stated, our government was intended to be a "government of the people, by the people, for the people." Sadly, we have fallen away from those founding principles. Today, many government officials live in Washington, secluded from their constituents, and out of touch with reality. They benefit from financial insight used to improve their own stock portfolios, enjoy luxury trips disguised as CODELS, and upon retirement, receive generous pensions despite their own actions while in office. Politicians come to Washington not to represent their constituencies, but for their own avail.

Vainglorious acts such as these, committed by our country's leaders, are simply unacceptable.

I have introduced several pieces of legislation intended to reduce government waste, hold Members accountable for their actions, and increase transparency within our federal government. For example, the STAY PUT Act would require the completion of a study on the costs of Congressional foreign travel claimed to meet criteria of “official business,” by Members, officers, and employees of Congress. Another piece of legislation I have introduced, the Citizen Legislator Act, aims to cut the time spent in Washington, DC in half, cuts Congressional salaries and budgets in half, allows Members to work jobs outside of public office, and increases the time Members spend in their districts with the people who elected them.

Madam Speaker, while, many of us may attempt to project the appearance that our motives are truly altruistic, the time has come for real action. I applaud my colleagues for passing the STOCK Act today and encourage them to consider additional legislation bearing similar objectives, to listen to their constituents, and to spend more time in their districts. I remain optimistic that many of us still remember why we find ourselves here today: to serve the American people.

Mr. DINGELL. Madam Speaker, I rise in support of S. 2038, the STOCK Act. I have always stood for the strictest ethical standards for all government employees, and today is no different. Government employees cannot be allowed to profit privately in the performance of their official duties. Indeed, throughout my career, it has always been my understanding that the House Ethics Rules specifically prohibit this sort of behavior.

I will vote in favor of S. 2038. I am very pleased that the bill contains a rule of construction to preserve the Securities Exchange Commission’s, SEC, existing anti-fraud enforcement authorities. Nevertheless, I have lingering concerns about the bill’s practicability and other unintended consequences. I believe these matters might have been clarified if the bill had undergone regular order. Absent that, Members of the House should have been given a briefing about the bill prior to taking it up. In fact, I requested such a briefing in a February 7, 2012, letter to Speaker BOEHNER and Leader CANTOR, but that request appears to have fallen on deaf ears.

It is uncertain to me whether House Leadership will insist on convening a conference committee with our friends in the Senate to forge a compromise. If that is to occur, I strongly urge House conferees to consider and solve the rather ticklish problem of how the SEC and House Committee on Ethics will interact under the Act. Furthermore, I have deep, dark fears that influential members of the House, Senate, and associated political organizations might exert pressure on the Commission to open or never begin a congressional insider trading investigation for political gain. Such an incident would fly in the face of the STOCK Act’s otherwise meritorious intent.

In closing, I can only stress that this matter would have been best addressed in the various committees of jurisdiction and according to regular order. Observance of this institution’s rules and procedures has produced well-written laws which have endured for years. I observed regular order as chairman of the Committee on Energy and Commerce and held numerous hearings on securities fraud in the 1980s. These hearings produced P.L. 98–

376, the “Insider Trading Sanctions Act of 1984,” and P.L. 100–704, the “Insider Trading and Securities Fraud Enforcement Act of 1988,” which are the only major insider trading laws on the books.

Madam Speaker, I am ashamed to say I was right in predicting that banks would become “too big to fail” when I opposed the Gramm-Leach-Bliley Act on the floor in 1999. I hope I am wrong in predicting that the STOCK Act, if not subjected to serious scrutiny and amended, will produce an administrative morass and, worse, an enforcement tool subject to the perils of political manipulation.

That in mind, I ask my colleagues to vote in favor of S. 2038.

Mr. MICHAUD. Madam Speaker, I rise today in strong support of the STOCK Act. I regret having to miss a vote on this significant legislation, but I had to return to Maine to attend a family funeral. Had I been present, I would have voted for the House Amendment to S. 2038.

These commonsense rules will help ensure that no member of Congress profits from the nonpublic information they receive in their official capacity. The voters in our districts sent us here to work hard on their behalf. It is simply wrong that anyone would consider using insider information he or she gains while working for his or her constituents to make investment decisions.

Faith in Washington is at an all time low. Unfortunately, the STOCK Act is only a small step towards restoring the public’s trust in their elected officials. However, it is an important step that will help hold every one of us more accountable.

I was proud to join two hundred eighty-four of my colleagues from both sides of the aisle as a cosponsor of the original House version of the STOCK Act. I am hopeful that this strong show of bipartisanship can continue on the other important issues that face our country.

Mr. LANGEVIN. Madam Speaker, I rise in support of the House amendment to S. 2038, the Stop Trading on Congressional Knowledge, STOCK, Act, but I must share my deep disappointment with the House Republican leadership’s move to weaken this legislation.

As a cosponsor of the House version of the STOCK Act that has 285 bipartisan cosponsors, I strongly believe we need to restore trust in our public officials and those who work closely with them by clarifying that the same insider trading rules that everyone else must follow apply to all three branches of our government as well. The STOCK Act will prohibit Members of Congress and employees of Congress from profiting from nonpublic information they obtain via their official positions. It will also require Members of Congress to report on their stock sales.

The Senate version added a provision that would require firms specializing in “political intelligence,” that may use information obtained from Congress to make financial transactions, to register with the House and Senate—just as lobbying firms are now required to do. House Republicans watered down this bill in the middle of the night by dropping this provision, even though it was unanimously approved by the House Judiciary Committee this past December.

The measure before us today is an important first step, but once it is passed, I call on my colleagues to conference with the Senate

to strengthen this legislation. If we wish to restore confidence in our government, we must start by using fair and transparent legislative procedures.

Mr. QUIGLEY. Madam Speaker, I rise today as a cosponsor and strong supporter of the STOCK Act.

The STOCK Act includes the Congressional Integrity and Pension Forfeiture Act, which Congressman DOLD and I introduced last year.

The Pension Forfeiture Act ensures that former Members of Congress forfeit their pensions if they are convicted of committing a public corruption crime while serving in elected public office.

Corrupt former legislators who continue to collect pensions on the taxpayer dime are taking advantage of the American people even after they have left office.

This legislation will protect taxpayer dollars and end what could only be viewed as a reward for those who have abused the public’s trust.

In my home state of Illinois, we know all too well about the costs of corruption.

Two former governors of Illinois, George Ryan and Rod Blagojevich, are serving extensive prison time for corruption.

Blagojevich, who previously represented the Illinois 5th District, continues to claim his federal pension because of a loophole in existing law.

Congressman DOLD and I believe that this loophole should be closed.

I urge my colleagues to join me in supporting the STOCK Act and restoring transparency, accountability, and trust in government and public service.

Mr. FITZPATRICK. Madam Speaker, insider trading is and has been against the law no matter who you are. The bill we are debating is not about simply banning Members from insider trading, it is about holding Members of Congress and members of the administration to a higher standard as I think we should be. Confidence in Congress is at an all time low and restoring trust with the American people is paramount. While affirming the ban on insider trading the STOCK Act also significantly broadens prohibited activity and establishes a new reporting system that will allow for unprecedented transparency.

I urge my colleagues to support this bill because even the appearance of operating outside the law needs to be addressed forcefully. By shining the brightest light possible on the financial transactions of Members of Congress and the administration we can help ensure that no one is taking advantage of their positions. Madam Speaker, the American people have elected us to be their representatives and that means conducting ourselves with the highest of ethical standards. Anything less is a disservice to this office and to those who sent us here.

Ms. JACKSON LEE of Texas. Madam Speaker, I rise today to debate the S. 2038—Stop Trading on Congressional Knowledge, STOCK, Act which would amend the Congressional Accountability Act of 1995 and the Ethics in Government Act. The legislation would require the Senate and the House of Representatives to implement an electronic filing

system for financial disclosure forms and provide the public with on-line access to that information in a searchable database. S. 2038 also would make clear that Members of Congress, Congressional employees, and federal employees are prohibited from using nonpublic information for personal financial benefit. In addition, the legislation would require more timely reporting of information about financial transactions by Members and staff.

The STOCK ACT would prohibit Members of Congress, employees of Congress, and all federal employees from using “any nonpublic information derived from the individual’s position as a Member of Congress or employee of Congress, or gained from performance of the individual’s duties, for personal benefit.”

The bill before us today is not the same measures that had received overwhelming bipartisan support in the Senate or the House. The measure before us today has been brought onto the Floor under the cover of darkness. There was zero transparency in the process and there is no opportunity to offer amendments.

I firmly and unequivocally believe that the American people deserve to know that their elected officials only have one interest in mind, which is doing what is best for the country rather than their own financial interests. This behavior is particularly disturbing at a time when so many Americans are struggling to make ends meet. Members of this body and any public servant should not have a financial edge because of information they have attained while serving the American people.

The issue before us today is not whether an insider trading law should exist for lawmakers. The issue before us today is one of fairness and transparency. As we attempt to shine a spotlight on those who may profit on insider knowledge, the Republican led majority in the House has closed out the possibility of improving this bill.

The night before last, the Rules Committee passed a rule on a straight party-line vote. The rule has allowed the Republican majority to bring up their own version of the STOCK Act under a suspension of the rules.

Let me be clear; Republican leadership has brought a bill onto the Floor under a suspension of the rules. They utilized the most restrictive process the House has to offer. In fact, this process is so restrictive that it is often reserved for noncontroversial items such as naming post offices, buildings, or even playgrounds.

For this bill, of all bills, to be brought up under suspension of the rules is unfathomable. The Republican-led majority has given Democrats no opportunity to offer their own amendments in order to improve the bill. In addition, there is no chance for the Democrats to offer our own alternative, under a Motion to Recommit.

As a Senior Member of the Judiciary Committee, I find the actions of the Republican-led House to be outrageous. It is a direct contradiction to the original bipartisan effort supported in this House by 285 Members of this body pushed by Ms. SLAUGHTER, a bill which was composed over the course of 6 years.

Further, considering the bipartisan support received for the initial Senate version of the STOCK Act and the significant bipartisan support received by the bill introduced by my dear colleague Ms. SLAUGHTER it is curious that the Republicans have chosen to put forward their

own version of the STOCK Act which waters down government reform and leaves out a critical piece of the STOCK Act—namely, the registration of the political intelligence industry.

Registration of the political intelligence industry was included in the Senate passed bill, but stripped out of this watered down Republican version. Instead of requiring registration, my Republican colleagues only require a study of the industry.

It is as though the Majority wishes to ignore the fact that regulation of the political intelligence community was supported by 285 Members of Congress who were co-sponsors of the original Slaughter-Walz bill. Instead, what we now know is that after emerging from behind closed doors, the bill introduced by Republicans does nothing to regulate the political intelligence community.

Regulating the political intelligence industry is vital to this piece of legislation. A study will not have the same impact as a requirement that these firms register and come out from the shadows.

Political intelligence firms or people who have special relationships with government officials can obtain nonpublic legislative information or learn about pending legislative decisions by attending lobbying sessions, or communicating directly with lobbyists and lawmakers.

The term “political intelligence” refers to legislative information that is potentially market-moving, is nonpublic or not easily accessible to the public, and is gathered, analyzed, and sold to or shared with interested parties by firms or people with access to such information. Political intelligence is typically sold to independent companies or third parties whose business demands knowledge of upcoming market and industry affecting legislative decisions.

The political intelligence industry must be regulated. These firms have grown drastically over the last few decades, and are now a \$100 million a year industry. Every day these firms help hedge funds and Wall Street investors unfairly profit from nonpublic congressional information. These firms have no congressional oversight and can freely pass along information for investment purposes. In 2005, insiders profited from a last-minute government bailout of companies who were embroiled in asbestos litigation. We must prevent such windfalls from happening again.

The U.S. House of Representatives Ethics Manual states that its members should “never use any information coming to him confidentially in the performance of governmental duties as a means for making private profit,” and the Senate Ethics Manual states that its Conflict of Interest Rule 37(1) provides for “a broad prohibition against members, officers or employees deriving financial benefit, directly or indirectly, from the use of their official position[s].” No arrests or prosecutions, however, have ever been made against members of Congress for insider trading based on non-public congressional knowledge.

While Members of Congress are not exempt from federal securities laws, including insider trading prohibitions, it remains unclear whether a member of Congress has a fiduciary duty to the United States—misappropriating information gained through an employment relationship is illegal, but case law conflicts as to whether members of Congress actually constitute “employees” of the federal govern-

ment—whether the information on which the Member trades is “material”—Is there “a substantial likelihood” that a reasonable investor “would consider it important” in making an investment decision?—and whether the information on which the Member traded is “non-public.”

The bill before us today has utilized Senate language which clarifies federal ethics rules and establishes a fiduciary duty against insider trading by all three branches of government. This measure does give the Securities Exchange Commission, SEC, Department of Justice, DOJ, and Commodities Futures Trading Commission, CFTC, clear authority to prosecute insider trading cases throughout the federal government, as well as clarifying that 28,000 executive branch employees will be subject to the same online, public financial disclosure rules as will be applied to Congress. In addition it adds more specific disclosure restrictions on executive branch officials, and requires that their disclosures be online within 30 days of submission.

Even so, this measure is still a watery version of Ms. SLAUGHTER’S bill. We have been denied the opportunity to amend the bill on the Floor today in a manner that would ensure bipartisan support.

Again, Republican-led House has gone too far. They not only not eliminated the political intelligence registration requirement and replaced it with a 12-month GAO study. They have also removed from this measure the anti-corruption provision that restored criminal penalties in some public corruption cases. This provision had been unanimously approved by House Judiciary in December.

House Republican leadership should have allowed this bill to be finalized in an open and transparent manner. Instead, the Majority continued their “my-way-or-the-highway” approach. They shut out their colleagues, and made partisan changes to what was a bipartisan bill.

Mr. BLUMENAUER. Madam Speaker, I support the Stop Trading on Congressional Knowledge, STOCK, Act. This bill clarifies that Members of Congress, congressional staff, executive branch officials, and judicial officers are subject to the same insider trading rules as everyone else. It is common sense to ensure that taxpayers do not pay the salary of people who take advantage of privileged conversations to make a profit. I am pleased that the STOCK Act has such strong bipartisan support, but I am disappointed in the way that Republican leaders are ushering the bill through the House.

For a bill that ends insider trading and is supposed to bring transparency to the influence peddling industry in Washington, it is disappointing that—literally in the dark of night—Republican leaders listened to the complaints of lobbyists and changed the bill. Republicans removed two important provisions that shine light on the shadowy world of political intelligence and that empower federal investigators to bring criminal corruption charges against public officials.

The STOCK Act that I cosponsor, and that passed the Senate with 96 votes, requires that political intelligence consultants register their activities, similar to the manner of lobbyists. These consultants gather inside information from Members of Congress and staff and then sell that information to Wall Street, lobbyists

