S 1779

Financial Services Conflict of Interest Act

Congress: 114 (2015–2017, Ended)
Chamber: Senate
Policy Area: Government Operations and Politics
Introduced: Jul 15, 2015
Current Status: Read twice and referred to the Committee on Homeland Security and Governmental Affairs.
Latest Action: Read twice and referred to the Committee on Homeland Security and Governmental Affairs. (Jul 15, 2015)
Official Text: https://www.congress.gov/bill/114th-congress/senate-bill/1779

Sponsor

Name: Sen. Baldwin, Tammy [D-WI]
Party: Democratic • **State:** WI • **Chamber:** Senate

Cosponsors (5 total)

Cosponsor	Party / State	Role	Date Joined
Sen. Schatz, Brian [D-HI]	D · HI		Jul 15, 2015
Sen. Warren, Elizabeth [D-MA]	D · MA		Jul 15, 2015
Sen. Sanders, Bernard [I-VT]	I · VT		Jul 21, 2015
Sen. Mikulski, Barbara A. [D-MD]	D · MD		Sep 28, 2015
Sen. Gillibrand, Kirsten E. [D-NY]	D · NY		Jun 10, 2016

Committee Activity

Committee	Chamber	Activity	Date
Homeland Security and Governmental Affairs Committee	Senate	Referred To	Jul 15, 2015

Subjects & Policy Tags

Policy Area:

Government Operations and Politics

Related Bills

Bill	Relationship	Last Action
114 HR 5494	Related bill	**Jun 16, 2016:** Referred to the Committee on House Administration, and in addition to the Committees on the Judiciary, Oversight and Government Reform, Financial Services, and Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned.
114 S 6	Related bill	**Jun 16, 2016:** Read twice and referred to the Committee on Rules and Administration.
114 HR 3065	Identical bill	**Jul 29, 2015:** Referred to the Subcommittee on Crime, Terrorism, Homeland Security, and Investigations.

Summary (as of Jul 15, 2015)

Financial Services Conflict of Interest Act

This bill amends the federal criminal code to declare that any pension, retirement, group life, health or accident insurance, profit-sharing, stock bonus, or other employee welfare or benefit plan maintained by a federal employee's former private sector employer that makes payment of compensation contingent on accepting a position in the federal government shall not be considered exempt from certain conflict-of-interest restrictions.

The Ethics in Government Act of 1978 is amended with respect to a financial services regulator who occupies a specified supervisory position within a primary financial regulatory agency, including among specified others the Board of Governors of the Federal Reserve System, the Commodity Futures Trading Commission, and the Securities and Exchange Commission.

A financial services regulator shall not make, participate in making, or in any way attempt to use his or her official position to influence a particular matter that provides a direct and substantial pecuniary benefit for a former employer or former client. The regulator must recuse himself or herself from any official action that would provide such a benefit.

Moreover, the regulator may not knowingly participate in any matter which involves an individual or entity with which the regulator is negotiating prospective employment.

If the regulator is negotiating future employment with another entity, that fact must be disclosed to the designated agency ethics official.

The Director of the Office of Government Ethics must discharge certain recordkeeping duties to implement this Act, and refer any non-compliance to the U.S. Attorney for the District of Columbia.

The bill subjects violators of this Act to specified federal civil and criminal penalties.

The bill also increases from one to two years the period during which a former federal procurement officer responsible for a particular federal contract may not accept compensation from the contractor, including for lawyering or lobbyist services. This prohibition shall extend to accepting compensation from affiliates and subcontractors.

Procurement officials must also disclose contacts with procurement bidders or offerors about possible non-federal employment for a relative.

A federal employee may not be personally and substantially involved with the award or administration of a contract to a former employer for two years after leaving the employer.

Federal criminal law is amended to prohibit compensation for a former regulator:

- for a one-year period for legal representation, lobbying, or assistance for any person (except the United States) in any judicial proceeding pending under his or her official responsibility as a regulator; or
- for a two-year period for similar activities on behalf of any person (except the United States) before any executive branch agency or Congress in connection with any pending matter.

The Federal Deposit Insurance Act (FDIA) is amended to expand from one to two years the conflict-of-interest restrictions on federal examiners. These restrictions shall apply also to supervisors of up to five financial institutions.

The FDIA subjects to specified penalties the supervisor of a large financial service regulatory agency as well as the supervisor of a senior examiner for knowingly accepting compensation during the prohibited two-year period after the individual's regulatory service ends.

Actions Timeline

- **Jul 15, 2015:** Introduced in Senate
- **Jul 15, 2015:** Read twice and referred to the Committee on Homeland Security and Governmental Affairs.